

\$600,000,000 the amount authorized to be appropriated for defense housing under the act of October 14, 1940, as amended; without amendment (Rept. No. 2471). Referred to the House Calendar.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 7556. A bill authorizing the temporary appointment or advancement of commissioned officers of the Coast and Geodetic Survey in time of war or national emergency, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. CARTWRIGHT:

H. R. 7557. A bill to eliminate the requirement in section 19 of the Federal Highway Act, as amended, that the Secretary of Agriculture include an itemized statement in his annual report under such act of traveling and other expenses, including a list of employees, their duties, salaries, and traveling expenses, if any, and for other purposes; to the Committee on Roads.

H. R. 7558. A bill to repeal section 19 of the Federal Highway Act, as amended, which requires the Secretary of Agriculture to make detailed reports with respect to the administration of such act; to the Committee on Roads.

By Mr. MAY:

H. R. 7559. A bill to equalize certain disability benefits for Army officers; to the Committee on Military Affairs.

H. R. 7560. A bill to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, to continue it in effect; to the Committee on Military Affairs.

By Mr. ROBERTSON of North Dakota:

H. R. 7561. A bill providing a time limit for collection of feed and seed loans; to the Committee on Agriculture.

By Mr. CELLER:

H. R. 7562. A bill to repeal the Silver Purchase Act of 1934; to the Committee on Ways and Means.

H. R. 7563. A bill to repeal the act to extend the time within which the powers relation to the stabilization fund and alteration of the weight of the dollar may be exercised; to the Committee on Coinage, Weights, and Measures.

By Mr. SIKES:

H. R. 7564. A bill to provide an appropriation for the improvement of the Gulf Intracoastal Waterway; to the Committee on Appropriations.

## SENATE

MONDAY, SEPTEMBER 21, 1942

Rev. Daniel W. Justice, S. T. B., M. A., minister, Trinity Methodist Church, Washington, D. C., offered the following prayer:

O God, our help in ages past, our hope for years to come, we pause this beautiful, bracing morning, to recognize the sovereignty of Thy Presence, and to seek the guidance of Thy Spirit.

Gracious Lord, whose law we fain would keep, whose fellowship we fain would enjoy, and to whose service we fain would be loyal, in the spirit of the Master Friend of all men, touch and bless the lives of all these Thy servants, our Vice President, and our Senators, and in every undertaking of this session of our

Senate help them to do justly, to love mercy, and to walk humbly with Thee.

Graciously remember and protect all loved ones, the home ties and all interests of the citizenry of our United States—all the way from the responsible duties of this sacred Chamber of our Government to the utmost outposts where our boys and girls and men and women are serving faithfully to conserve the faith and the freedoms that make for the brotherhood of all under the living God. Ways of procedure and decision are not always certain for the living of these days. In quietness and in confidence, O God, show forth the light of Thy wisdom and love to our President, our Cabinet, our Congress, and all other leaders entrusted with grave responsibility.

Bless the tie that binds all humanity together in that immortal principle of "man to man shall brother be."

Pardon our sins, forgive those who despitefully use us, and in every crisis keep our fellowship with Thee and faith with one another unbroken.

Through Christ our Redeemer. Amen.

#### NAMING A PRESIDING OFFICER

The Secretary (Edwin A. Halsey) read the following letter:

UNITED STATES SENATE,

PRESIDENT PRO TEMPORE,

Washington, D. C., September 21, 1942.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. A. B. CHANDLER, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

CARTER GLASS,

President pro tempore.

Mr. CHANDLER thereupon took the chair as Acting President pro tempore.

#### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, September 17, 1942, was dispensed with, and the Journal was approved.

#### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

#### CALL OF THE ROLL

Mr. HILL. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Connally	Lee
Andrews	Danaher	Lodge
Austin	Davis	Lucas
Bailey	Downey	McCarran
Ball	George	McFarland
Bankhead	Gerry	McKellar
Barkley	Gillette	McNary
Bilbo	Glass	Maloney
Brewster	Green	Maybank
Bridges	Guffey	Mead
Brooks	Gurney	Murdoch
Brown	Hatch	Murray
Bunker	Hayden	Norris
Burton	Herring	Nye
Butler	Hill	O'Daniel
Byrd	Holman	O'Mahoney
Capper	Johnson, Calif.	Overton
Caraway	Johnson, Colo.	Pepper
Chandler	Kilgore	Radcliffe
Clark, Idaho	La Follette	Reed
Clark, Mo.	Langer	Reynolds

Russell	Thomas, Idaho	Van Nuys
Schwartz	Thomas, Okla.	Wagner
Shipstead	Thomas, Utah	Wallgren
Smathers	Truman	Walsh
Smith	Tunnell	White
Spencer	Tydings	Wiley
Taft	Vandenberg	Willis

Mr. HILL. I announce that the Senator from Washington [Mr. BONE], the Senator from South Dakota [Mr. BULLOW], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. DOXEY], the Senator from Louisiana [Mr. ELLENDER], the Senator from Virginia [Mr. GLASS], the Senator from Delaware [Mr. HUGHES], the Senator from West Virginia [Mr. ROSIER], the Senator from Tennessee [Mr. STEWART], and the Senator from Montana [Mr. WHEELER] are necessarily absent from the Senate.

Mr. McNARY. The Senator from Colorado [Mr. MILLIKEN] and the Senator from New Jersey [Mr. BARBOUR] are unavoidably absent.

The ACTING PRESIDENT pro tempore. Eighty-four Senators have answered to their names. A quorum is present.

#### ORDER OF BUSINESS

Mr. BARKLEY. Mr. President, I wish to announce that we hope to take up the price-control measure at the conclusion of the morning hour, and I serve notice now that I shall object to any speeches by any Senator during the morning hour taking longer than 5 minutes. I ask the Chair to enforce the rule.

#### STABILIZATION OF THE COST OF LIVING—REPORT OF THE COMMITTEE ON BANKING AND CURRENCY

Under authority of the order of the 17th instant,

Mr. BROWN, from the Committee on Banking and Currency, to which was referred the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, reported it on September 19, 1942, with amendments and submitted a report (No. 1609) thereon.

#### EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

#### CLAIM OF J. C. MUNN AGAINST THE UNITED STATES

A letter from the Comptroller General of the United States, transmitting, pursuant to law, his report and recommendation concerning the claim of J. C. Munn against the United States (with an accompanying report); to the Committee on Claims.

#### REPORT OF FEDERAL DEPOSIT INSURANCE CORPORATION

A letter from the Chairman of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, the annual report of the Corporation for the year ended December 31, 1941 (with an accompanying report); to the Committee on Banking and Currency.

#### REPORT OF BOARD OF INVESTIGATION AND RESEARCH (TRANSPORTATION ACT OF 1940)

A letter from the chairman and members of the Board of Investigation and Research under the Transportation Act of 1940, transmitting, pursuant to law, the annual report of the Board for the year ended September 18, 1942 (with an accompanying report); to the Committee on Interstate Commerce.

## PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A telegram in the nature of a petition from a group of citizens of Chelsea, N. Y., praying for prompt action on the President's Labor Day proposals for pushing the war effort to the maximum on the home front and also the speedy opening of a second front; to the Committee on Military Affairs.

A letter in the nature of a petition from several citizens of Punta Gorda, Fla., praying for the prompt enactment of Senate bill 860, to prohibit the sale of alcoholic liquor and to suppress vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. CAPPER:

Petitions, numerous signed, of sundry citizens of Harper and vicinity, in the State of Kansas, praying for the enactment of Senate bill 860; ordered to lie on the table.

#### STABILIZATION OF THE COST OF LIVING— TELEGRAMS FROM KANSAS ORGANIZATIONS

Mr. CAPPER. Mr. President, I have received a telegram from Frances Hancock, St. Francis, Kans., legislative chairman for the Kansas Department of the American Legion Auxiliary, asking the Congress to enact legislation which will control all prices, in wartime, including farm products and wages. I am in sympathy with the stand taken by this organization. I ask unanimous consent that the appeal made by this American Legion Auxiliary be printed in the RECORD.

I have also received a telegram from Reese V. Hicks, executive secretary of the International Baby Chick Association, which states that "agriculture is at a distinct disadvantage in ability to compete with industries at prevailing price levels." I ask unanimous consent that this telegram also be printed in the RECORD. I also request that the telegrams may be appropriately referred.

There being no objection, the telegrams were ordered to lie on the table and to be printed in the RECORD, as follows:

TOPEKA, KANS., September 15, 1942.

HON. ARTHUR CAPPER,  
United States Senate,  
Washington, D. C.

The Kansas Department of American Legion Auxiliary requests legislation providing control over all prices including farm products and wages. This is in accordance with our Legion's universal service bill.

FRANCES HANCOCK,  
Department Legislative Chairman,  
St. Francis, Kans.

KANSAS CITY, MO., September 15, 1942.

SENATOR ARTHUR CAPPER,  
Washington, D. C.:

Labor situation hatchery industry extremely critical. Unless draft regulations relaxed, poultry industry will fall short of Nation's requirements eggs, poultry next season. Agriculture at distinct disadvantage in ability to compete with industries at prevailing price levels. Increase in farmers' income recent years represents gross income, not net. Labor's wage gain is net. This should be considered in establishing ceilings and floors.

REESE V. HICKS,  
Executive Secretary, International  
Baby Chick Association.

#### REPORT OF THE COMMITTEE ON THE JUDICIARY

Mr. McCARRAN, from the Committee on the Judiciary, to which was referred the bill (S. 2572) to permit defendants to waive prosecution by indictment, reported it with an amendment and submitted a report (No. 1610) thereon.

#### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HATCH:

S. 2787 (by request). A bill to protect Naval Petroleum Reserve No. 1; to the Committee on Public Lands and Surveys.

By Mr. HILL:

S. 2788. A bill to provide for universal service and total mobilization during any war in which the United States is now engaged; to the Committee on Military Affairs.

(Mr. HOLMAN introduced Senate bill 2789, which was referred to the Committee on Immigration, and appears under a separate heading.)

By Mr. WALSH:

S. 2790. A bill for the relief of Donald L. Grunsky;

S. 2791. A bill to authorize the Secretary of the Navy to pay the costs of transportation of certain civilian employees, and for other purposes; and

S. 2792. A bill to provide for the advancement of Rear Admiral Emory S. Land, Construction Corps, United States Navy, retired, to the rank of vice admiral; to the Committee on Naval Affairs.

(Mr. MURRAY introduced Senate bill 2793, which was referred to the Committee on Appropriations, and appears under a separate heading.)

By Mr. REYNOLDS:

S. 2794. A bill to provide for adjusting royalties for the use of inventions for the benefit of the United States, and for other purposes; to the Committee on Patents.

(Mr. HOLMAN introduced Senate Joint Resolution 163, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

#### RESTRICTION OF IMMIGRATION

Mr. HOLMAN. Mr. President, I introduce a bill to discontinue all quota immigration and to restrict the admission of nonimmigrant aliens, and I ask leave to make a brief statement concerning it.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator from Oregon may proceed.

Mr. HOLMAN. Mr. President, the brave American boys we are now inducting into the combat forces of our country and sending to battlefields all over the world will some day, we hope and pray, return to their homes. They then will be confronted with many serious problems very personal to themselves, problems as vital to each of them as the present war problems are critical to our Government.

If we do not act now to prevent it, immigrants from the devastated countries of Europe will swarm over our land and devour its resources for making a living and enjoying the American standards of employment and life, as of old the locusts did in the land of Egypt. Those whom we now send to battle for American ideals, opportunities, and liberties will be confronted upon their return with what, for

them, will be a stripped country, void of opportunity to them again to live normal, prosperous, happy lives, unless we now provide for their protection from such unfortunate and difficult conditions. I am convinced the Congress should now do those things which will protect our returning soldiers from the competition of alien elements in our augmented population after the war.

Let us act now to protect our defenders when they return to us. With all we can possibly do now their lot will be most difficult then. Let not the national administration again be found to be "too little, too late."

I ask unanimous consent that the bill be appropriately referred and printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the bill (S. 2789) to exclude certain aliens from admission to the United States was read twice by its title, referred to the Committee on Immigration, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That on and after the date of enactment of this act no quota immigrant shall be admitted to the United States.

SEC. 2. No alien shall be admitted to the United States as a nonimmigrant unless the American consular officer to whom he applies shall have received a guaranty of the return of such alien to the place from which he is admitted upon the conclusion of his temporary stay in the United States, which in no event shall exceed 6 months.

SEC. 3. Nothing in this act shall be construed to apply to accredited officials of foreign governments, nor to their suites and families.

#### DUAL CITIZENSHIP—PROPOSED CONSTITUTIONAL AMENDMENT

Mr. HOLMAN. Mr. President, I also introduce a joint resolution proposing an amendment to the Constitution of the United States, and request permission to make a very brief statement about it.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Oregon may proceed.

Mr. HOLMAN. Mr. President, "No man can serve two masters"; nor can any person be a perfectly loyal citizen of two separate national governments at the same time; yet our Federal Constitution does not now prevent persons from enjoying all the rights and privileges of American citizenship while at the same time they owe and acknowledge allegiance to a foreign power—even to a foreign enemy power with which we are at war.

The situation in which the Japanese people now in this country find themselves is unfortunate for them and perilous to us. Many of these Japanese are native-born American citizens; yet national safety demands that they be evacuated from their homes and interned elsewhere along with the alien Japanese. In my opinion, this creates an anomalous and intolerable condition.

The purpose of my resolution is to remedy the fault in our basic law which permits the existence and countenances the continuance of dual citizenship.

For our own protection and in fairness to all, let us make the necessary correction in our Constitution now. The situation may become even more complicated later.



I ask that my resolution be printed at this point in my remarks.

There being no objection, the joint resolution (S. J. Res. 163) proposing an amendment to the Constitution of the United States prohibiting dual citizenship was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

*Resolved, etc. (two-thirds of each House concurring therein).* That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. Persons who under the laws of any foreign nation are deemed to be citizens or subjects of such foreign nation shall not become citizens of the United States, whether born in the United States or not, except to the extent and subject to such terms and conditions as the Congress may prescribe.

"SEC. 2. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission to the States by the Congress."

**PURCHASE OF AUTOMOBILES BY CERTAIN GOVERNMENTAL OFFICIALS**

Mr. MURRAY. Mr. President, I introduce a bill for appropriate reference. The bill is designed to make it possible for the War Department and the Navy Department to purchase automobiles from dealers. Since the stoppage of production of automobiles, and the rationing of cars, the Army and Navy are no longer able to purchase automobiles from the manufacturers, and, because of certain limitations in the law regarding the prices of cars, it is necessary now that legislation should be enacted in order to make it possible for the Army and Navy to obtain cars from the dealers.

The bill (S. 2793) to authorize the Secretary of War, the Secretary of the Navy, the Commissioners of the District of Columbia, and the Director of Procurement to acquire motor-propelled passenger-carrying vehicles necessary for the successful prosecution of the present war was read twice by its title and referred to the Committee on Appropriations.

**STABILIZATION OF THE COST OF LIVING—AMENDMENTS**

Mr. BALL, Mr. HATCH, Mr. LANGER, Mr. McKELLAR, Mr. NORRIS, and Mr. THOMAS of Oklahoma each submitted an amendment and Mr. TUNNELL submitted two amendments intended to be proposed by them, respectively, to the joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living, which were severally ordered to lie on the table and to be printed.

**AMENDMENT TO THE REVENUE BILL—CREDIT AGAINST UNEMPLOYMENT TAXES**

Mr. WILEY. Mr. President, at this time I submit an amendment intended to be proposed by me to House bill 7378, the pending revenue revision measure,

and also a short statement which I ask to have printed in the RECORD in connection with the amendment.

The ACTING PRESIDENT pro tempore. The proposed amendment submitted by the Senator from Wisconsin will be printed and referred to the Committee on Finance; and, without objection, the Senator's statement will be printed in the RECORD.

The statement presented by Mr. WILEY is as follows:

The situation involved in this amendment is not unique with my particular constituents. I shall briefly cite the circumstances involved in this particular case merely as an example of numerous similar situations which would be covered by the provisions of this measure.

My constituents operate a clinic at Marshfield, Wis. They believed they were not liable for contributions to the unemployment fund of the State of Wisconsin with respect to certain employees.

Consequently, they paid no contributions to the State with respect to their wages and paid the Federal unemployment tax upon their wages without the benefit of the credit allowable for contributions to the State.

Since then, the clinic has become subject to the State unemployment compensation law with respect to the wages of such employees and is required to pay additional contributions for past years. The clinic has found that the contributions are not eligible for credit against the Federal tax for past years, since they were not paid within the time limit prescribed by law for the benefit of such credit. In other words, there was a definite time limit set by section 701 of the Revenue Act of 1941.

It is obvious, of course, that this is double taxation.

Under title IX of the Social Security Act and the regulations issued pursuant thereto, a taxpayer was permitted to take credit against the tax imposed by such title for contributions paid by him into the State unemployment fund before the due date of his return under such title for the taxable year.

The Federal Unemployment Tax Act provides for the allowance of credit against the tax thereunder for 1939 and subsequent years for contributions paid into State unemployment funds on or before the due date of the Federal return, and also for contributions paid after such due date but before July 1 next following, subject to the limitation that credit for contributions paid after the due date shall not exceed 90 percent of the amount that would have been allowable as credit had they been paid on or before the due date. The total credits allowable to any taxpayer may not exceed 90 percent of the Federal tax.

The Congress has on several occasions extended the time within which contributions to State unemployment funds could be paid and be eligible for credit against the Federal tax. The most recent of such extensions is contained in section 701 of the Revenue Act of 1941 which provides for the allowance of credit against the Federal tax for the years 1936 to 1940 inclusive, based upon contributions paid into State unemployment funds prior to November 19, 1941, the sixtieth day after the date of enactment of such act.

In other words, since this clinic, and its case is not unique, failed to claim credit toward the Federal tax before the allotted time, it cannot now do so and wishes an extension of time to enable them to get this credit. I wish to emphasize that it is merely a technical limitation which prevents them from claiming credit toward the Federal tax and

that as a matter of equity they are entitled to this credit.

My amendment merely provides for an extension of time of 60 days after the signing of the 1942 revenue revisions in connection with the credit against Federal unemployment taxes provision.

**EMPLOYMENT ON OREGON DAIRY FARMS**

Mr. HOLMAN. Mr. President, I ask unanimous consent that there may be read from the desk the letter I have received from Mr. Walter A. Duffy, regional director of the Farm Security Administration at Portland, Oreg.

The ACTING PRESIDENT pro tempore. Without objection, the letter will be read as requested.

The legislative clerk read as follows:

UNITED STATES  
DEPARTMENT OF AGRICULTURE,  
FARM SECURITY ADMINISTRATION,  
Portland, Oreg., September 14, 1942.

Senator RUFUS C. HOLMAN,  
712 Oregon Building, Portland, Oreg.

MY DEAR SENATOR: I regret to inform you that our efforts to obtain a family who wishes to work on your dairy farm have so far proved fruitless.

The employment opportunities in the entire Willamette Valley area are such that many families are leaving their farms to work for wages. It is not difficult for common laborers to obtain from \$150 to \$300 per month in the war industries of this area.

Our supervisor at Oregon City has made a very diligent search including contacts with the county agricultural agent. He has canvassed the rural rehabilitation borrowers of the area. I am afraid there is not much more we can do to be of assistance on this problem.

Sincerely yours,

WALTER A. DUFFY,  
Regional Director.

**NUMBER OF SOUTH CAROLINIANS IN THE ARMED FORCES—LETTER FROM STATE DIRECTOR HOLMES B. SPRINGS**

Mr. MAYBANK. Mr. President, I ask unanimous consent to have printed in the RECORD a letter received by me from Holmes B. Springs, State Director of Selective Service of South Carolina. The letter shows that there are now 56,948 South Carolinians in the armed services of our country. It further shows that the vast majority of that number volunteered, and were not drafted.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF SOUTH CAROLINA,  
HEADQUARTERS OF SELECTIVE SERVICE,  
Columbia, S. C., September 16, 1942.

The Honorable BURNET R. MAYBANK,  
United States Senate.

DEAR SENATOR MAYBANK: In compliance with your letter of September 14, I wish to advise that South Carolina has 56,948 men in the armed forces, as of September 1, 1942, as listed below:

Army	46,521
Navy (including merchant marine)	8,424
Marine Corps	1,649
Coast Guard	354

Total 56,948

It is impossible to give you the definite number in the merchant marine, as these are included with the number shown in the Navy.

With reference to the number of whites and the number of Negroes in the service,

we can only give you the number that have entered the service through induction, which is as follows:

Number of whites inducted.....	17,706
Number of Negroes inducted.....	8,634
Total.....	26,340

Trusting that this is the information desired, with kind regards, I am,  
Sincerely yours,

HOLMES B. SPRINGS,  
State Director.

#### EFFECT OF RISING COST OF LIVING ON POSTAL EMPLOYEES

Mr. DAVIS. Mr. President, we are so busy talking about the spirals of potential inflation that sometimes we neglect the lot of those who are having a desperately hard time to sustain themselves at their present salaries. I refer particularly to certain groups of post-office employees, and, in their behalf, wish to have, through unanimous consent of the Senate, the introduction of two editorials on this subject.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which appeared in the Morning Call of Allentown, Pa., September 9, 1942, and a second editorial which ran in the Evening Chronicle, of Allentown, of recent date.

I request that the editorials be referred to the Committee on Post Offices and Post Roads.

There being no objection, the editorials were referred to the Committee on Post Offices and Post Roads, and ordered to be printed in the RECORD, as follows:

[From the Allentown (Pa.) Morning Call of September 9, 1942]

#### MILLIONS SUFFER THROUGH INFLATION

If President Roosevelt had thought to pick examples of employee-groups which already have been most seriously affected by the rising cost of living and will be more and more affected as cost of living rises, he would have had to go no further than groups of Government employees and he might well have singled out that best known and highly faithful group—the employees of the postal department.

Because everybody has dealings with members of this group the workings and effects of a rising cost of living can be made just a bit more personal, although just about everybody knows for himself how unjust it is to himself and to his own family if prices are rising generally and wages and salaries are not. Everybody who went through the World War and the almost uncontrolled inflationary period that followed it knows how disastrous it was to the economic life of all but a very few of the people. It was the great masses that suffered, just as it is the great masses which again are suffering.

The postal employees furnish one of the best and at the same time one of the easiest examples to set forth. For 17 years the regular postal employees have not had an increase in wages and they have received no bonuses or other form of remuneration. Yet we know from the President's figures that the cost of living has increased 15 percent since January 1941 and there was an upward movement before that time.

It has not been indicated at any time by the regular postal employees, or their substitutes, that there was complaint; that there would be protests or some other form of demonstration. This same group suffered severely during the World War and thereafter and it would seem was preparing to suffer again without complaint.

The situation can be said to be even worse for the substitutes than it is for the regulars.

While the regulars, like hundreds of thousands of other Government employees upon fixed salaries, see decrease in the purchasing power of their dollars, they are at least assured a fixed number of dollars in the course of any given period. But the substitutes have not even such guaranty. Despite the fact that they must learn their business thoroughly so that they can take the place of experienced hands almost anywhere at a moment's notice, they are paid only for time actually given to work. They may work as little as 2 hours a day, or none at all. They may work as many as 16 hours in a day and earn 65 cents per hour, a very rare occurrence. For all this they are subject to call at all hours.

They have no holidays off and rarely any Sundays. They must work a full year, calculated on the actual number of hours employed, which may occur in a calendar or fiscal year or longer, as it sometimes does in larger cities, before they become eligible for vacations or sick leave. As Columnist Damon Runyon recently put it: "They either starve from lack of work or become physical wrecks from too much of it."

More demoralizing than this is the fact that there is the impression among post-office employees that no additional regulars will be made for the duration of the war, because of an order from Washington freezing the list of regulars.

The vast majority of postal workers enter the service as substitutes and as such they work an indefinite period of time until vacancies in the regular force occur and their names are reached on the list for appointment.

But the freezing order has practically blighted their hopes. Their only ray of light for a brighter future lies in the bill recently introduced by Congressman THOMAS E. SCANLON, of Pittsburgh, which provides that all regular vacancies shall be filled by the promotion of substitutes.

These postal employees do not present an extreme example. There may be other groups which are as badly or worse off. Hundreds of thousands of people will be able to supply examples out of their own experience to parallel the postmen's situation.

It is to prevent further harm to all these groups and to all individuals similarly affected that the President has threatened to take things in his own hands as to the rising cost of living if Congress continues to take those steps which he asked be taken more than 4 months ago.

[From the Allentown (Pa.) Evening Chronicle of September 15, 1942]

Of all the legislation to come out of Washington in recent years on the subject of wages and hours little has developed to aid at least one group of Uncle Sam's own employees, the postal clerks. It hardly seems conceivable that the liberal government now in command of the Washington scene should continue to operate its own postal system, the very backbone of communications in this country, at wage scales below levels Uncle Sam insists must be paid in private industry.

With particular reference to the substitute postal clerk, the fellow who gets out at odd hours depending upon the mail load, much can be said in favor of better conditions. This fellow is paid 65 cents an hour when he works, which is frequently quite irregular. He gets nothing over this scale for above 40 hours, or for work on Sundays or holidays. By this scale a man must put in well over 40 hours to bring in sufficient revenue to maintain his family.

The local Federation of Post Office Clerks has gone on record approving a bill before Congress whereby regular appointments from the substitute list would be made to fill all vacancies, and where an appointment is made to fill the place of a regular clerk inducted into service the appointment would stand until the inducted man returns.

The substitute postal worker, not unlike substitute workers in other fields, may go along years in the hope of an appointment to the regular staff. During this period, however, he is entitled to more considerate treatment.

#### REGULATION OF FARM PRICES AND WAGES

Mr. CAPPER. Mr. President, I ask to have printed in the RECORD a statement from the heads of three national farm organizations—Albert S. Goss, master of the National Grange; Edward A. O'Neal, president, American Farm Bureau Federation; H. E. Babcock, president, National Council of Farmer Cooperatives—with regard to the proposed legislation on regulation of farm prices and wages.

Today the Nation is calling for more and more food and fiber production. Farmers are responding to that call, and during the present year are producing the largest yields of food and fiber in our history. But next year the needs of the Nation and of our Allies will be even greater. What the Congress this week does in regard to farm prices and wages will have a very important bearing on whether the farm-production goals of 1943 can be met.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Kansas?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SEPTEMBER 18, 1942.

The PRESIDENT,

The White House.

DEAR PRESIDENT ROOSEVELT: We, the heads of the undersigned farm organizations, whose members produce most of the food and fiber raised in this country, feel it is our duty to inform you that there is grave danger of a shortage of food and fiber next year unless the ceilings of farm prices are so adjusted as to enable farmers to meet essential production costs. The establishment of any ceiling on farm products which omits farm labor as an item of cost will fail of its purpose. The responsibility for the future food and fiber supply of the Nation must rest squarely on the shoulders of those who deny consumers of food and fiber this protection.

It is our duty to point out to you that the best protection against inflation is abundant production. Already the production of food and fiber in this country has passed its peak. Unless farmers can pay adequate farm wages, production of these essentials will continue to decline. The demand on farm labor by the military services and the attractive wages and shorter hours of labor which are already prevailing in industry are resulting in farm laborers, farm boys and girls, and even farm operators leaving our farms in ever-increasing numbers.

Respectfully submitted,

ALBERT S. GOSS,  
Master, The National Grange.  
EDW. A. O'NEAL,  
President, American Farm  
Bureau Federation.  
H. E. BABCOCK,  
President, National Council of  
Farmer Cooperatives.

#### FARM PRICE STABILIZATION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement on farm price stabilization by M. W. Thatcher, legislative chairman of the National Farmers Union, delivered on September



17, 1942, before the Senate and House Committees on Banking and Currency.

There being no objection, the statement was ordered to be printed in the *RECORD*, as follows:

The National Farmers Union stands with labor in full support of the President on the three great issues now under consideration by the Congress:

1. The immediate stabilization of farm prices, wages and salaries, and profits to business, with parity of sacrifice placed on every group in the Nation.

2. The immediate inclusion in the tax bill of the President's specific requests to Congress in his April 27 and September 7 messages. If the full seven-point program to stop inflation is not to falter and fail, taxes must be placed on those able to pay. Stalling and shifting the burden must stop.

3. The assignment of drastic wartime powers to the executive branch of the Government, so that this Nation may proceed to maximum production in agriculture as well as other businesses. Every businessman knows and every thoughtful person knows that responsibility and authority go together. Until we give the President authority to match his responsibility for winning the war we will keep on losing it.

The marines on the Solomon Islands are not debating the fine points of parity. Farmers are entitled to parity and no more. The position taken by the President has been our position for fully a year. We asked the Congress then and repeatedly since to give us stabilization at equitable levels "clear across the board" of all commodity prices, service charges, profits, interest, rent, wages, and salaries. The history already written in every country at war showed more than a year ago that such controls were necessary and inevitable.

We stood and stand for full parity for agriculture and no more. Let others try to explain any formula which asks for more at this time. We have no explaining to do.

Prominent farm leaders who no longer ago than July were fighting the release of Government-owned grain for feeding and loans to more small farmers, using the argument that we already had ample production, now raise the threat of lowered farm production in attempting to secure further benefits for themselves. The hollering for 10, 20, 30 percent more than parity is the voice of the 10 percent of farmers operating big commercial farms who harvest more than 50 percent of the total agricultural income.

The Nation is moving to a manpower crisis without adequate plans and machinery to meet it. Neither in industry nor agriculture can the manpower problem be met primarily by the payment of higher wages. This will soon be apparent. The Executive should have power to allocate the supply of farm labor and supplement wages where necessary. That is the answer to farm leaders crying labor shortage.

Whatever the merit of arguments for revising the parity formula, we believe it would be breaking faith with the Nation to do so at this moment. Moreover, no set of prices, however devised, will be sufficient to meet our production needs. For the duration we must move out of an economy controlled by prices into a war-managed economy in which the use of manpower and materials and resources is the test. Higher prices cannot direct limited supplies to their most efficient use.

Price relationships artificially established by our farm programs cannot be allowed to stand in the way of quick action to use our land and manpower resources fully for their most efficient and necessary yields. Only production incentive programs with stabilized markets and minimum price protection can insure maximum production of all major

farm commodities. All major crops must be placed on the same footing as the so-called basic commodities—corn, cotton, wheat, tobacco, peanuts, and rice. We must use our land resources for the crops to which they are best adapted and thus avoid using such land resources blindly for "basic" crops in order to cash in on Government subsidy payments. This is necessary to get total production from our farmers.

We have repeatedly asked Congress and the Secretary of Agriculture for such action. Now the President has requested it. In the immediate future Congress should authorize the Secretary of Agriculture and the Commodity Credit Corporation to enlist all major crops, counting them into the list of crops with minimum price floors.

The tragic truth is that agricultural production has not yet been turned loose. We have a reservoir of more than one million farm families who want to produce more but are still throttled by either restrictive acreage allotments or the lack of adequate Government credit. These family-type farmers have the labor power. They must be brought into full war production by an enlarged farm security loan program, by revising acreage controls, and, if necessary, by shifting such farmers to better farms than they are now on. Agriculture can produce much more.

We have hundreds of thousands of wheat farmers with millions of acres of land who want to go into increased production but cannot because of arbitrary Federal restrictions on the handling of their land and the marketing of their products.

The Secretary of Agriculture would like to meet this problem and knows how. With parity prices and the war measures we have proposed, the lower two-thirds of farmers will have the opportunity to increase their production and their net income. The Nation need not be dependent upon the big commercial farmers who after years of milking the Treasury, farming the farmers, and sweating their farm labor now seem unable to take part in an all-out effort which might jeopardize their profits.

War conditions require concentrated authority to change many production practices. We shall have to abandon production of less useful products. We shall have to abandon less useful land, shifting farmers and farm labor to lands, crops, and methods that will produce our total requirements. We shall have to concentrate or break up farm units to fit the productive possibilities of these farm families. We shall have to require the cooperative use of farm machinery and family manpower. Before we win this war, farmers will be neighbors cooperating as they have never done before.

It costs the unbearable amount of 48 cents of the consumer's food dollar to move our products to his table, leaving the farmer only 52 cents out of each dollar. The President and the Secretary of Agriculture must have war authority to move in on this wasteful take. It is as costly and as vicious in its operations as the treasonable selfishness shown by big business in the mishandling of our rubber supply. The public must know this. An alert war Congress would maintain constant investigations to ferret out these bottlenecks and police all production and distribution, including farm products.

To place agriculture on an all-out war basis and to act vigorously to increase our farm production, Congress must give the green light to the Secretary of Agriculture with full power and authority to make rapid and proper use of every acre of land, every farm machine, every cooperative farm family, every necessary dollar of credit, together with control of storage and processing facilities for farm products.

Stabilization of farm prices at parity is only the beginning of wisdom. Let's do that

quickly and then put ourselves on a total war basis. The sooner we start, the sooner we win.

#### PRICE FIXING

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the *RECORD* a letter to me from R. A. Trovatten, Commissioner of Agriculture and Food for the State of Minnesota, and president of the National Association of Commissioners, Secretaries, and Directors of Agriculture.

There being no objection, the letter was ordered to be printed in the *RECORD*, as follows:

SEPTEMBER 14, 1942.

HON. WILLIAM LANGER,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR: Regarding price-fixing. In the interest of not only the American farmer, but our country and the national defense and war program, may I bring the following to your attention:

1. The so-called parity prices are not only a misnomer, but in no way represent equitable parity to the farmer. On the other hand, they do him a great injustice. This is because this so-called parity is based on an old formula of calculation that is both unjust and discriminating to the American farmer.

2. Present prices for commodities, which are the same as wages to the farmer, represent on the average less than 20 cents per hour for his toil and work as compared to 60 cents to \$1.00 or more an hour for the industrial worker.

3. Even if our farmers received 110 percent of the so-called parity prices it would represent on an average less than 25 cents per hour for their work and below actual cost of production.

4. It should be especially borne in mind that the advance in commodity prices since 1939 was from the ruinous low level of only 52 percent of the so-called parity.

5. Compared to the 1909-1914 price levels, commodity prices on the average are up less than 51 percent compared to an advance of 197 percent in the wages of the industrial workers. In other words, wages of the industrial worker have advanced four times compared to the advance in price of commodities.

6. If farm prices are to be fixed at present levels, it would be necessary to reduce the wages of the industrial workers by 50 percent to place the farmer on an equitable parity. We are not advocating such a reduction in the wages of industrial workers, but in simple justice agricultural prices should be permitted to rise to an equitable parity compared to labor.

7. The cost of the raw materials on the average represent less than 12 percent of the cost of the manufactured goods to the consumer. Therefore, if agricultural prices advanced 10 percent above the so-called parity it should mean on an average less than 1 percent advance in the cost of manufactured goods to the consumer; or, if commodities advanced 50 percent, it should mean less than 6 percent advance in the cost of manufactured goods to the consumer.

8. Full and adequate agricultural production is vital to our national welfare and economy and the defense and war program. Present prices for agricultural production on the average are below the cost of production because of high cost to the farmers. It is, therefore, evident to be economically possible for our farmers to produce adequately that they receive equitable parity prices or cost of production.

9. It is impossible to have runaway inflation as long as we have adequate agricultural production because scarcity of produc-

tion is the fundamental cause of such inflation. Therefore, the danger of any runaway inflation does not lie in a reasonable advance in the price of commodities, but quite the contrary. The best insurance against a runaway inflation is to permit an equitable rise in commodity prices that will enable our farmers to produce adequately for the needs of the Nation.

10. The big financial bondholding group, for selfish reasons, has always opposed equitable parity prices for the producers. At this most critical time in our history, if their short-sighted and selfish views prevail, it will lead to scarcity and runaway inflation that may ruin them and our country.

11. It has been proved time and again that there is no more patriotic group than the American farmer who is feeding and clothing our Nation. The American farmer has not gone on strikes and failed to produce for our country. Yet, if he is not permitted equitable parity prices, you will make adequate agricultural production impossible.

12. We know you will agree that it is not only simple justice to the farmer, but essential to our Nation and the defense and war programs, that the farmer should receive equitable parity prices that will enable him to produce adequately for our national welfare and protection. Therefore, if Congress deems it advisable to fix prices on the American farmer, we know you will agree that it should be based on a new and honest equitable calculation that will do our farmers justice.

I would appreciate very much having your views on this matter which is not only important to the farmer, but more so to our Nation.

Sincerely yours,

R. A. TROVATTEN,  
Commissioner of Agriculture and  
Dairy and Food for the State of  
Minnesota, and President of the  
National Association of Com-  
missioners, Secretaries and Di-  
rectors of Agriculture.

#### PRICES OF FARM COMMODITIES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in full in the body of the RECORD a letter to me from Rev. V. F. Mikolasek, of Lankin, N. Dak., relating to farm prices. There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ST. JOSEPH'S CHURCH,  
Lankin, N. Dak., September 17, 1942.  
The Honorable WILLIAM LANGER,  
United States Senator, Washington, D. C.

DEAR MR. LANGER: I hear over the radio how they try to cut the prices of the grain in Congress.

I will give you few little data so that you may present them to those learned men for little discussion. They claim that the prices poor farmer is getting are high. O. K.; compare them with the prices he has to pay for labor: Shocking grain, 50 cents per hour.

I wish you could see the unshocked fields, in many places sprouting.

That will be some reward for the farmer, don't you think?

Threshing: \$16 to \$18 per hour, with but five teams. In my own case my threshing bill will be about \$150 on one quarter. That will be some profit on the farm!

And the best thing: You cannot get any labor for shocking, neither for threshing. They go to the factories—certain hours to work, high wages. When farmer has to work from dawn to dark hours late in the evening.

The farmer does not ask any special privileges—only justice, fair remuneration for his work, and fair return on his investment.

Please call attention of those gentlemen to this: There will be many farms not cultivated next year.

Who can pay such wages, taxes, and get low prices for grain?

In my case, I had to pay \$1.25 for plowing per acre; seeding, 75 cents; harvesting, 75 cents; twine; threshing, \$18 per hour; shocking, 50 cents per hour. How much will be left for me to pay taxes, get interest on the money I had to borrow to pay for land?

What farmer needs is to regulate the price of grain and include the high price for labor, not only hired but his own, because children are leaving farms for factories.

Please try to help the farmers of your State.

Sincerely yours,

Rev. V. F. MIKOLASEK.

WILLIAM M. JEFFERS

Mr. BUTLER. Mr. President, a few days ago the President appointed William M. Jeffers, a resident of Nebraska and one of our leading citizens, as Rubber Administrator. Many Members of the Senate know William Jeffers; others do not. In order that all may be apprised of what we in Nebraska, and others who know William Jeffers, think of him, I should like to have printed immediately following my remarks an editorial regarding Mr. Jeffers which appeared in the Omaha World-Herald under date of September 17.

Mr. Jeffers has worked for but one concern since he began working—namely, the Union Pacific Railroad, of which he is now president, and in which he has been a directing influence for many years. He was born of Irish parentage in North Platte, Nebr., and has lived his life in our State. I wish to commend the administration for the appointment of a man such as Mr. Jeffers to this position. I ask to have the editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Omaha Morning World-Herald of September 17, 1942]

#### THE RUBBER CZAR

Those who work in a certain quarter of Washington during the next few weeks will have a memorable experience. They will see a hitherto irresistible force meet a hitherto immovable object.

The irresistible force, of course, is Omaha's and Union Pacific's William M. Jeffers, and the immovable object is Washington's rubber mess, which he has been commissioned to handle.

It is too early to predict the outcome of the conflict, but it is not too early to note that these are antagonists worthy of each other. The rubber situation has gathered mass and stickiness for 9 months past. Congressmen have looked it over, and walked away whistling softly. Experienced bureaucrats have sniffed it—and then tried to appear busy when the President looked their way. Only the Baruch committee has tried to deal with it realistically, and the burden of its report was that somebody ought to be appointed to handle the thing.

Bill Jeffers is known as one of the drivingest men in the ranks of American business. As he settles down into his new office he will not need to keep muttering to himself, "I must get tough. . . . I must get tough." Bill Jeffers is tough. He can be as sentimental as the next one when talking with kids, or about people who eat in the kitchen, but give him a job that must be done and he will be a tornado of purposeful fury until it is finished. If anybody's tender sensibilities happen to be wounded in the process, that is too bad—but the tornado roars on.

Washington isn't accustomed to that way of operating. The cautious official there treads

softly, lest he arouse Congress, and most carefully, lest he inadvertently step onto the preserves of some such bureaucrat as Leon Henderson, Jesse Jones, or Screaming Harold Ickes. All these fears and taboos make life so difficult that the average official becomes practically motionless.

We are reasonably sure Rubber Administrator Jeffers won't be motionless. The system may beat him—as to that, time will tell—but it will know it has been in a tussle. He will bring to this job the push, drive, vitality, and personality that have helped make his railroad one of America's best.

To the masses of victory-hungry Americans the Jeffers appointment will be tremendously encouraging news. For it is evidence that President Roosevelt and Donald M. Nelson are in earnest in their determination to get this war job done as quickly as possible. It is a strong hint that they are thinking, not in terms of politics, but only in terms of results. If so, more power to them.

#### INDUCTION OF MARRIED MEN

Mr. MALONEY. Mr. President, on August 31, I inserted in the CONGRESSIONAL RECORD, at page 6997, a letter which I had written to Brig. Gen. Lewis B. Hershey, Director, Selective Service System, in which I referred to confusion existing under the Selective Service procedure. In that letter I made certain suggestions which I felt would help correct the confusion which I believe exists and which would afford a proper protection to married men with families now subject to call under the Selective Service Act.

On September 5, General Hershey replied to my letter. I now ask unanimous consent that his reply be printed as a part of my remarks, and I ask further consent that I may have printed in the RECORD at this point a letter which I addressed to General Hershey on September 19.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL HEADQUARTERS,  
SELECTIVE SERVICE SYSTEM,  
Washington, D. C., September 5, 1942.  
The Honorable FRANCIS MALONEY,  
United States Senate.

Subject: Request for clarification of Selective Service policies with regard to the calling of married men with dependents

DEAR SENATOR MALONEY: Please let me thank you for your letter of August 27 which, in my opinion, presents a most intelligent approach to the question of military service for married men and gives evidence of an understanding of the problem considerably beyond the usual concept.

It is gratifying to note that, first of all, you base your observations on the provision that military considerations come first. The procurement of men for the Nation's armed forces is, without question, the primary object of the Selective Training and Service Act, and such procurement has been the paramount purpose of the Selective Service System in administering the act.

Uncertainty is bound to exist as to when and how the services of married men should be utilized. That is only one of many uncertainties in war. Unfortunately, we do not know how and when the enemy may strike next. We do not know where or how many soldiers may be required to meet the next onslaught. Requirements of the Army for manpower have skyrocketed in recent months, precipitating calls through Selective Service for unprecedented numbers of men. Attempts to forecast the future are practically impossible.



I think you are quite right in stating that, despite worries and responsibilities, the great bulk of our American citizens is imbued with a degree of patriotism and the desire to defend the Nation that surmounts personal sacrifice. It is becoming increasingly evident, however, that such sacrifices may be necessary and on a wide scale. I believe you will agree with me that, from all present indications, this conflict will reach far deeper into our American life than any such previous experience. For that reason, if for no other, it is desirable that this invasion of the family and civilian status be made in as orderly a manner as possible.

Generally, I am in agreement with the first two basic considerations mentioned in your letter. Avoidance of the use of married men in armed conflict is a principle on which the theoretical agreement is probable on every side; the practical application of the question, however, is governed by the needs of our armed forces. Your fourth consideration is one which, likewise, is greatly to be desired in theory, but which is apt to break down in practical application.

Closely allied with the premise that age and degree of financial dependency should govern calls of married men is your suggested regulation No. 1. The question of calls by age groups is, of course, a matter wholly for the determination of the Army. From a military standpoint, the Army does not regard it as wise to exhaust first those groups which are youngest and most able-bodied, leaving a residue of older and inferior men who might be required to bear the brunt of the heaviest and determining battles of the war. There are certain other dangers inherent in the age-group plan. Young married couples are less stable than older couples. Disruption of marriages only a few years old is therefore more likely than of those cemented by time. There is also the threat to posterity. If the 20- to 30-year group, for example, were sent solidly into the front line and suffered heavy casualties, incalculable effects on the descendants of that generation would result.

Your No. 2 suggestion is that announcement be made well in advance of calls by age groups and numbers of dependents. From the morale standpoint, there is some conflict of opinion as to whether notification of a call considerably in advance would be less disturbing than permitting men to carry on their regular civilian activities until nearer the time they make the change to a military status. From the practical standpoint, it is impossible to set definite call dates for any considerable time in advance. The War Department itself can estimate its requirements for only a brief period ahead. At present, Selective Service has but 60 days' notice of calls. Should announcement of call dates be made and the War Department found it necessary to step up the actual call, both the Army and the Selective Service System would be subject to criticism. It seems to me that such a situation might easily create a lack of faith in the Government.

The suggested No. 3 regulation coincides closely with the third basic consideration mentioned in your letter, and is, as a matter of practical application, a question wholly determined by the Army, and based largely on the exigencies of war.

While your fourth suggested regulation is again a matter which is determined by the War Department and therefore outside the jurisdiction of Selective Service, it is my own conviction that such variations would work a severe hardship on men less favorably endowed with health and physical fitness. In the majority of military assignments rigorous health and physical condition is requisite to the proper performance of such military duties. To accept a man on lowered standards and expect him to perform full routine duties would be manifestly unjust. It seems to me that any variation in standards be-

cause of age necessarily should be accompanied by variations in duties for the same reasons. You can readily realize that such procedure would lead to confusion and inefficiency.

I am wholly in agreement with your expression that a minimum of uncertainty should surround married men, and I want to take this opportunity of assuring you that the Selective Service System is keenly aware of its obligation to the citizenry as well as its function as a military procurement agency. We have taken a number of effective steps to reduce any such uncertainty to a minimum. Formerly when requirements were not heavy and our pool of manpower was large, it was necessary to classify only a sufficient number of men to fill military requisitions as received. The situation is now drastically changed. With mounting demands for men, I have directed local boards to complete classification of all registrants immediately, so as to enumerate our total military potential. Further, in the spirit and intent of congressional action, State directors have been ordered to apportion calls on local boards in accordance with an orderly progression of selection by dependency groups. Between the date of passage of the Servicemen's Dependents Allowance Act of 1942 and the present, a period of transition was necessary from the former governing policy to the present procedure. I have every evidence that this transition is nearing its close and that future calls and inductions will be made substantially on the basis contemplated by the Congress.

The careful consideration of men like yourself in determining the practical application of congressional intent is appreciated by those of us charged with the administration of the Selective Service System. I hope this discussion of the points set forth in your letter will prove helpful in viewing the entire subject from a broad standpoint. Please let me assure you again that the opportunity for such discussion is always welcomed by this headquarters.

Sincerely yours,

LEWIS B. HERSHEY,  
Director.

SEPTEMBER 19, 1942.

Brig. Gen. LEWIS B. HERSHEY,  
Director, Selective Service System,  
Washington, D. C.

MY DEAR GENERAL HERSHEY: I thank you for the consideration you have given to my letter of August 27, as set forth in your reply of September 5.

I am glad to note your agreement with the principle that age and degree of financial dependency should govern the calls of family men to service, and that, whatever may be the additional requirements for the armed forces, it is desirable that calls upon family men be made in as orderly a manner as possible. It remains my conviction, however, that immediate steps are necessary to carry these principles more definitely into the actual regulations governing selective service. I realize that practical difficulties must be faced and that the application of any procedure to concrete situations involves compromises of conflicting consideration of policy. I am also conscious of the rapidly evolving requirements of our military forces. I suggest that these changes in themselves indicate that a comprehensive reconsideration of the basis and method for calling family men into the armed forces is immediately necessary and that, if rational and sensible revision is not feasible by way of regulation, the basic statute should be changed.

The very fact that the Army may be considering an increase of its forces over a period of a single year to numbers approaching 10,000,000 or more men indicates to me that a situation has now arisen which was

not fully contemplated when the Selective Service Act was originally enacted. For instance, it is incredible that the withdrawal of so large a number of men, including an increasing number of family men, from civilian life in so short a period of time could have been intended to be governed almost entirely by a lottery system. Yet that is exactly what happens as the 3-A exemptions and other exemptions are being rapidly eliminated. Whatever may be the requirements of the Army, it does not seem to me either logical or necessary that a man 44 years old with say six children should be called into active service in advance of a married man 23 years old with one child, merely because his draft number is lower. Yet, as I understand it, that is the situation which may arise in numerous districts, if, in fact, it has not already arisen. The tremendous size of the Army now contemplated of itself permits, even if it does not require, orderly and rational calls to service based upon classification other than lottery numbers.

The various considerations you mention in connection with the regulations suggested in my letter of August 27 are matters which, of course, must be given weight, but none of them appears to me to negative the necessity for a full reappraisal of the Selective Service System, and none of them seems to me to eliminate the need for some kind of regulation along the lines which I have suggested. I, of course, did not intend to imply that the particular regulations suggested in my letter could not be subjected to change or revision to take account of matters which a full investigation of the facts would require.

Certainly I did not intend to imply that all of the able-bodied men in the lower age groups should contemporaneously be exposed to heavy casualties. I do not know that that is the case even at the present time. I should suppose, on the contrary, that the very purpose of enlarging the armed forces to the unprecedented numbers now under consideration was to give to the Army the flexibility in organizing divisions which would permit the building up of reserves which would be as strong and as youthful as those first in the field. It seems to me that such an organization could be accomplished while avoiding, in the absence of the most dire emergency, a predominant number of family men among the front-line troops.

As to your doubts concerning the suggested grouping according to age and degree of financial dependency, I regret that I cannot, in my own mind, concede validity for the proposition that young married couples are less stable than older ones. I doubt that there would be much difference in that respect between the 20- to 30-year group and the 30- to 40-year group. I continue to have confidence in the permanency and resiliency of the average American family of any age group, and if your point were sound it seems to me that for the good of the country all of the older groups should be called first. This would necessarily impair the general efficiency of the Army, and, if there be the need for an army so large as is now contemplated, the conditions would exist in any case.

The threat to posterity suggested in your letter is an inherent evil of warfare of any kind. The havoc in this respect is something which should cause the greatest anxiety to any farsighted person. However, it seems to me that a heavy depletion of the numbers of family men could give rise to as serious social and economic repercussions as an equal depletion of the younger and unmarried men. The problem facing this country during the decades immediately to follow the war will probably be as difficult to solve as the war itself. The task of properly rearing the present generation of children is to me as important and vital as the

task of insuring that there be an adequate generation of children to follow. It will be necessary without question, if this country is to survive in its present strength, that the present generation of our young people have more children than their parents. But certainly we must see to it, so far as may be compatible with the increasing exigencies of the present war, that the young children of today, who will be the backbone of the country during the post-war era, shall not be cast adrift.

I also remain unpersuaded that a longer period of advance notice to family men subject to call cannot be arranged. The flexibility which arises from a determination to have an army of 10,000,000 or more men seems to me to make such advance notice even more feasible than at the present time.

I have noted that you feel that many of the questions raised by me are questions which, under present conditions, are wholly to be determined by the Army. If a full investigation of the situation discloses, as I believe it will, that the questions I have raised are valid, it may be that the Congress rather than the Army should determine the answers along general principles.

Without in any way suggesting criticism of your own outstanding accomplishments in the unprecedented task of creating a large civilian army, and in full recognition of the enlightened point of view you have expressed to me, I think I am bound to say to you that the wide disparity in the administration of the Selective Service Act among the various States and among districts within a particular State is creating a state of chaos and confusion which will not long be tolerated. I am hopeful, therefore, that your cooperation (and suggestions) may be enlisted to find appropriate correctives both in regulation and in the basic statute as soon as possible.

Let me repeat that my concern for the family men of the country is not based upon their reluctance as individuals to give full service to their country or to avoid in any way the hazards of that service. They constitute the bulwark of the Nation. But they must not be made the victims of administrative confusion or of unnecessarily arbitrary action. In the last analysis they will determine the temper of the Nation and they will fix the degree of civilian morale. For these reasons, I most earnestly solicit your continued consideration of their problems under the selective service procedure.

Sincerely yours,

FRANCIS MALONEY.

#### THE RUBBER AND GASOLINE SITUATION

Mr. GREEN. Mr. President, the complicated problem connected with the rubber shortage and the gasoline shortage have occupied much of the attention of the public of late, and although they have been much simplified and clarified by recent action of the administration, it seems to me worth while to help in the further clarification by having printed in the RECORD a letter I wrote to the President on the subject, dated August 31, 1942, and his reply to me, dated September 16, 1942, which I ask to have printed as a part of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AUGUST 31, 1942.

THE PRESIDENT,

The White House, Washington, D. C.

MY DEAR MR. PRESIDENT: In an endeavor to secure a true picture of the national situation regarding rubber and gasoline, I have corresponded with Mr. Leon Henderson, Administrator, Office of Price Administration, presenting to him certain vital questions which would clarify the doubt in many peo-

ple's minds regarding the justifiability of rationing only in the area of limitation. Mr. Henderson's answers have established the fact that rationing of gasoline in the area of limitation is essential to the war effort, but it seems to me that the questioning of rationing gasoline involves other aspects which would necessitate the rationing of this product on a Nation-wide basis, rather than in a limited area.

There are three issues involved in the situation—the distribution of gasoline considering our limited means of transporting it, the conservation of tires because of the lack of a supply of crude rubber which would satisfy the needs of the military forces and the demands of the civilian population as well, and the maintenance of the present number of automobiles which are so vital to the present economy of our country. To me, the latter two questions are matters with which we should be concerned, and which should be considered at the present time before our available supply of transportation means is exhausted.

The question of gasoline and an adequate supply for the area of limitation is but a transitory problem. The necessary elimination of water transportation for petroleum products has thrown a super burden upon the facilities of the railroads serving this area. This lack of adequate facilities could be remedied by the installation of pipe lines, or by a more equitable distribution of the tank cars available for such use.

The needs of the eastern seaboard communities for fuel oil for heating purposes this winter will aggravate the situation to such an extent that the railroads will be insufficient to handle both with their present equipment. To me, the only possible solution is a Nation-wide program of gasoline rationing. A large percentage of the homes and industries are heated by oil burners, and neither time nor materials are available for changing over from oil to coal as a source of heating.

The question of tires and automobiles, however, is of an entirely different nature. The output of tires and automobiles is definitely limited by available supplies of raw material and the lack of equipment for production, after the requirements of the war effort have been satisfied. This deficiency cannot be remedied by a geographical shifting of present equipment nor a more stringent plan of priorities or rationing, as the entire country is now limited in the issuance of such replacements.

Our present economy is based upon the use of motor vehicles for the necessary transportation. The abandonment of railroads and steamship lines during the past twenty years has increased our highway traffic immeasurably, and has thrown the burden of transportation upon local public utilities and private automobiles. The public transportation systems in most municipalities, in an effort to meet the competition of private automobiles, have converted their equipment from electric cars on steel wheels to a rolling stock of busses and trackless trolleys which operate wholly on rubber tires. Because of the lack of adequate rubber, and also on account of priorities in materials for new equipment of this nature, the transportation companies are now unable to add to their mobile equipment. Several of the local traction companies have had busses ordered for several months, but are unable to secure delivery of same, as the present production is being wholly absorbed by the military personnel for use in camps, bases and cantonments.

The lack of adequate housing facilities within reach of defense projects where thousands of workers are employed, necessitates the use of some means of transportation between home and work for thousands of men and women. Reports indicate that automobiles are being withdrawn from the high-

ways at the rate of a million a month, and that at the present rate our national supply of passenger cars at the end of 1945 will be but four and a half million. Our present economy demands at least twenty million cars to make up for the deficiency of our public transportation systems, so we must slow down the rate at which the present supply of automobiles is being consumed.

The cars left running on the highways are fast consuming the supply of pneumatic tires now on hand. The demand for all sizes of tires far exceeds the quotas allowed by the rationing authorities as well as the rate at which these tires are being produced. Transportation problems along the eastern seaboard are being accentuated every day by the requests for replacements for tires which have given out in the necessary driving in these States. The problem will become more acute as time goes on, and supplies become more limited.

Let me cite the problems of metropolitan Newport, a city of some 28,000 people. This population has been increased on account of the war effort by ten to fifteen thousand enlisted personnel, and 10,000 civilian population, the majority of the latter being accommodated by three housing units of 900 families each. This increase has more than absorbed the ordinary facilities of social usage, and has taxed the stores and services to the breaking point. In addition, there are 15,000 more civilian workers who commute to work on the several projects by means of some 4,000 automobiles.

There is no railroad transportation available for these workers, the only access for personnel being by means of the bus line which serves the community. The company has 12 busses (average capacity 23) for transportation within the city, and 57 others (average capacity 29) for transportation to other centers of population. Efforts to increase the number of busses have to date been fruitless, priority being given to Army and Navy usage. Since the capacity of the bus company cannot be increased, it is most essential that the workers be furnished automotive means of getting to their work. They will have to be furnished more and more tires, as well as replacements for their present cars when they are no longer serviceable.

The industries and projects on which these are working are indispensable to the war economy, and are vital efforts in our program for carrying on the war to a successful conclusion. Such projects extend from Maine to Florida, and I am assured on all sides that the problems at Newport are common to all centers of war production in the area. They must also be present in States outside of the area. Although they have not been evident so long as the owners of the cars have plenty of gasoline, they will be accentuated in all parts of the country, as the present supply of tires and cars is exhausted, and people find themselves unable to replace such a necessary adjunct of our modern civilization.

For these reasons, I wish to present to you the stressing need of conserving all automobiles and tires in the country. Our defense work must go on; we must continue to produce the vital needs of our armed forces; and we must, insofar as we are able, maintain our present economy based on the use of the private automobile. We may be able to eliminate the automobile in private life and in business life, too, where such life is not essential to our campaign for victory, but we cannot allow our war efforts in the next 24 months to wane on account of a lack of transportation facilities.

The rationing of gasoline on a national basis is the only means of maintaining our present transportation needs. The 17 States in the area of limitation are doing a magnificent job in conserving the necessary rubber and gasoline, but I am sure that the resulting saving will be only a fraction of the conservation which must be carried on in the saving



of these items. To prevent such a disaster from occurring, we should begin at once to enact a national program of gasoline rationing in order that the saving may be made before the opportunity has faded into the future.

I know this all-important matter is receiving your appropriate attention, and I trust that my suggestions as to Nation-wide rationing of gasoline in the near future will meet with your approval.

Yours sincerely,

THEODORE FRANCIS GREEN.

THE WHITE HOUSE,  
Washington, September 16, 1942.  
Hon. THEODORE FRANCIS GREEN,  
United States Senate.

MY DEAR SENATOR GREEN: This will acknowledge your letter of August 31 urging the adoption of a Nation-wide system of motor-fuel rationing to conserve tires and automotive equipment.

As you know, the Rubber Survey Committee submitted its report to me on September 10. This report recommended a program of rubber conservation through restrictions on gasoline sales and through the control of driving speeds. It also proposed an enlargement of the present tire replacement and recapping plan which would maintain essential automotive transportation.

In transmitting this report to Congress, I have already indicated that the committee's recommendations would be put into effect as rapidly as the necessary arrangements could be made. I believe that the measures soon to be initiated will protect the vital transportation facilities about which you have expressed justifiable concern.

The problem of providing adequate petroleum supplies for the east coast area, to which you have also referred, is receiving the continuous attention of the Office of Petroleum Coordinator for War. I understand that a comprehensive program for the withdrawal of tank cars from other parts of the country and for their assignment to the east coast service has been carried into effect. It is believed that this program, together with a number of pipe-line construction and relocation projects that are under way, will supply at least the minimum essential petroleum requirements of the Atlantic seaboard.

Your letter indicates that you have given careful thought to these vital problems, and I am pleased to have received your views.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

#### ADDRESS BY THE VICE PRESIDENT ON MEXICAN INDEPENDENCE AND NEW WORLD IDEALS

[Mr. HATCH asked and obtained leave to have printed in the RECORD an approximate English translation of the address delivered in Spanish by the Vice President of the United States on Mexican Independence and New World Ideals, on the occasion of the celebration of Mexico's Independence Day, at Los Angeles, Calif., September 16, 1942, which appears in the Appendix.]

#### WAR ISSUES IN THE CAMPAIGN—ADDRESS BY SENATOR THOMAS OF IDAHO

[Mr. THOMAS of Idaho asked and obtained leave to have printed in the RECORD an address entitled "War Issues in the Campaign" delivered by him at Boise, Idaho, September 9, 1942, at a meeting of Republican nominees in the State of Idaho, which appears in the Appendix.]

#### ADDRESS AT SYRACUSE, N. Y., BY HON. JOSEPH C. GREW, FORMER AMBASSADOR TO JAPAN

[Mr. CONNALLY asked and obtained leave to have printed in the RECORD an address delivered by Hon. Joseph C. Grew, former Am-

bassador to Japan, at a war rally luncheon at the Hotel Syracuse, Syracuse, N. Y., on September 18, 1942, which appears in the Appendix.]

#### FOR SOUTHERN INDEPENDENCE—LETTER BY C. NORWOOD HASTIE

[Mr. SMITH asked and obtained leave to have printed in the RECORD a letter to the Charleston News and Courier, written by C. Norwood Hastie, which appears in the Appendix.]

#### CONTROL OF INFLATION—PRICES OF FARM COMMODITIES

[Mr. SHIPSTEAD asked and obtained leave to have printed in the RECORD two editorials by J. C. Morrison, editor of the Morris Tribune of Morris, Minn., one entitled "Is It the Wheat Deal Over Again?" and the other "The One-Sided Fight Against Inflation," which appears in the Appendix.]

#### THE WAR AND ITS IMPACT ON AMERICAN BUSINESS—ARTICLE BY E. L. MOULTON

[Mr. HATCH asked and obtained leave to have printed in the RECORD an article by E. L. Moulton entitled "The War and Its Impact on American Business," published in the New Mexico Quarterly, which appears in the Appendix.]

#### THE PRESIDENT'S LABOR DAY MESSAGE—ADDRESS BY ALBERT S. GOSS

[Mr. AIKEN asked and obtained leave to have printed in the RECORD a radio address delivered by Albert S. Goss, of Washington, D. C., master of the National Grange, discussing the President's Labor Day message, which appears in the Appendix.]

#### THE FUEL SHORTAGE

[Mr. AIKEN asked and obtained leave to have printed in the RECORD an editorial from the New York Herald Tribune of September 21, 1942, entitled "Ten Million Cords," which appears in the Appendix.]

#### AN ASSERTION OF UNLIMITED POWER—ARTICLE FROM THE NEW YORK SUN

[Mr. DANAHER asked and obtained leave to have printed in the RECORD an article from the New York Sun of September 12, 1942, entitled "An Assertion of Unlimited Power," which appears in the Appendix.]

#### AMERICAN WAR PLANES

[Mr. ANDREWS asked and obtained leave to have printed in the RECORD an editorial from the Washington Evening Star of September 16, 1942, entitled "Injurious and Pointless," and also an analysis of the bomber situation made by the War Department, which appear in the Appendix.]

#### FARM PRICES—EDITORIALS FROM HOPE (ARK.) STAR

[Mr. SPENCER asked and obtained leave to have printed in the RECORD two editorials by Alex H. Washburn, editor of the Hope (Ark.) Star, dealing with farm prices, which appear in the Appendix.]

#### STABILIZATION OF THE COST OF LIVING

Mr. THOMAS of Oklahoma. Mr. President, I submit an amendment to Senate Joint Resolution 161, which I send to the desk and ask to have read for the information of the Senate.

The ACTING PRESIDENT pro tempore. The amendment will be read.

The CHIEF CLERK. On page 4, at the end of line 13, it is proposed to add the following new paragraph:

For purposes of this section, parity prices and comparable prices for any agricultural commodity shall be determined as authorized by existing law but shall also include all farm labor.

Mr. THOMAS of Oklahoma. Mr. President, I ask that the amendment be referred to the Committee on Agriculture and Forestry for its consideration.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Oklahoma [Mr. THOMAS]?

Mr. BARKLEY. Mr. President, reserving the right to object, I wish to say that we are in the act of taking up Senate Joint Resolution 161, which has been reported by the Committee on Banking and Currency. I do not quite understand the logic of referring an amendment to that measure to another Senate committee which has not considered the joint resolution.

Mr. THOMAS of Oklahoma. Mr. President, about half the pending joint resolution—I presume it is pending, or if not it soon will be—relates to agriculture. A few days ago the Committee on Agriculture and Forestry held a meeting. At that meeting some 12 members were present. The matter in question was gone over rather thoroughly, and at the conclusion of the committee meeting a subcommittee was appointed to consider possible amendments to be offered to Senate Joint Resolution 161. The subcommittee worked on the matter for 3 or 4 days, and this morning met and agreed, tentatively at least, to submit to the full committee for its consideration the amendment just read at the desk, consisting of three lines.

Mr. President, inasmuch as I am hopeful that the main committee will consider the amendment submitted by its subcommittee, I take this procedure as a means of affording consideration of the amendment in what I think is in regular order. Of course, if the amendment cannot be referred to the Committee on Agriculture and Forestry, that does not prevent the Committee on Agriculture and Forestry from meeting if it desires to consider the amendment. So, in the end, the objective sought will be arrived at in exactly the same way.

Mr. BARKLEY. Mr. President, I do not like to object to any amendment going to the Committee on Agriculture and Forestry, but inasmuch as we are, I hope, to begin consideration of the joint resolution in a few minutes, it seems to me a little odd that an amendment to the joint resolution should be referred to a Senate committee which did not consider the joint resolution. Mr. President, I ask that the amendment lie on the table.

Mr. THOMAS of Oklahoma. Mr. President, let me make a further statement. Some years ago—in 1933, to be exact—the Committee on Agriculture and Forestry considered a bill for the benefit of agriculture in the main and for the country in general. The committee reported out the first Agricultural Adjustment Act. That was done in the early part of the present administration, in 1933. In considering that bill the committee also considered an amendment affecting the value of the dollar. As a result of its consideration of the amendment, it was submitted in the Senate, and was before this body for its consideration. At that time the Committee on Banking and Currency requested of

the Senate that the amendment, which had come from the Committee on Agriculture and Forestry, be referred to the Committee on Banking and Currency for its consideration. The Senate granted that request, which was a reasonable request. The amendment was then referred to the Committee on Banking and Currency and was considered by that committee, hearings were held, and the amendment was promptly reported back by it to the Senate. So there we have a precedent for the request which I made. That precedent may not be followed by the Senate; nevertheless, it is a precedent for the request now being made. The end sought will not be different in either case, whether the amendment goes to the Committee on Agriculture and Forestry officially or goes to that committee unofficially, I will say to the Senator from Kentucky.

Mr. BARKLEY. Of course, Mr. President, I am not in a position to prophesy about that, but it seems to me, regardless of what may have been done concerning some other measure in the past, there ought to be one committee which has jurisdiction of the measure now before us.

The measure was referred to the Committee on Banking and Currency. While it deals with agricultural subjects it deals also with many other subjects. It might be just as logical for some Senator to offer an amendment to this measure dealing with the tax laws, which would be in order from the floor of the Senate, and have that referred to the Committee on Finance, or have some other amendment dealing with some other subject referred to another committee. I think the Senator from Oklahoma ought to be agreeable to letting his amendment lie on the table for the present.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. NORRIS. I do not want to enter into a controversy on this subject. I do not care very much what the Senate does with the amendment. It will probably be offered to the bill anyway. But inasmuch as it deals with a subject of which the Committee on Agriculture and Forestry has immediate jurisdiction, it does not seem to me there would be anything wrong if that committee, as a committee, were to propose an amendment to a measure which came from another committee. As the Senator has said, some other committee might wish to suggest an amendment. That is true. I do not see anything wrong with such a thing being done. If the subject matter dealt with is one over which some other committee ordinarily had jurisdiction, it would not be wrong for it to submit an amendment to the measure. If there were time enough I would not have any objection, after the Committee on Agriculture and Forestry has considered the amendment, to have it then referred to the Committee on Banking and Currency.

Mr. BARKLEY. I do not deny that any committee can meet informally or formally and suggest an amendment to the pending measure.

Mr. NORRIS. That is all that has been done in this case.

Mr. BARKLEY. But that is a little different from offering from the floor an amendment to a measure reported by another committee, a measure which the Senate is just in the act of taking up, and asking that that amendment be referred to the Committee on Agriculture and Forestry. I do not think such procedure is good legislation.

Mr. NORRIS. I think the ultimate results would be exactly the same. I would not have any objection if the Senator from Oklahoma were to withdraw his amendment and have it considered by the Committee on Agriculture and Forestry and then have that committee report its conclusion thereon.

Mr. BARKLEY. I think the better practice and form would be, if the Committee on Agriculture and Forestry desires, to suggest an amendment officially and not have referred to it by the Senator an amendment to a measure reported by the Committee on Banking and Currency. I ask the Senator from Oklahoma to pursue that course.

Mr. THOMAS of Oklahoma. Mr. President, I realize the seriousness of the opposition of the majority leader, but I am following a precedent. In 1933 the Committee on Agriculture and Forestry reported to the Senate an agricultural bill containing a money amendment. The Senate, without objection, referred the money amendment to the proper committee, at the request of that committee. If the Senator's suggestion comes as an objection, I wish to have the objection stated.

Mr. BARKLEY. Mr. President, I object, then, to the request of the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as objection is made, a motion would have to be made and agreed to in order to have the amendment sent to the Committee on Agriculture and Forestry. At this time I do not care to make such a motion.

The ACTING PRESIDENT pro tempore. Such a motion would not be in order at this time.

Mr. THOMAS of Oklahoma. Mr. President, it would be in order at another time, if not at this time. The time will come, however, when I shall have the right to submit the amendment and to discuss it. The amendment cannot be put aside in this peremptory and summary manner.

Mr. BARKLEY. I wish to say to the Senator from Oklahoma, and to others who are interested in the matter, that I am not seeking to put any obstacles in the way of the Senator in submitting the amendment. He has a right to submit it, and when the measure is under consideration, he has a right to move, when he submits it, that the amendment be referred to the Committee on Agriculture and Forestry. But when we are in the act of taking up a measure reported by one committee, and before we even begin consideration of the measure, if a Senator submits an amendment—and I am not speaking of the Senator from Oklahoma personally now—but if any Senator submits an amendment to that measure which has just been reported and asks that the amendment go

to another committee, I think I have a right to object, regardless of any single precedent with reference to legislation heretofore considered. I think not only am I within my rights, but it is a proper course for me to pursue at this time.

Mr. NORRIS. Mr. President, will the Senator again yield?

Mr. BARKLEY. I yield.

Mr. NORRIS. I do not question the attitude of the Senator from Kentucky on this matter at all.

Mr. BARKLEY. I realize that.

Mr. NORRIS. I hope the Senator from Oklahoma will withdraw his suggested amendment, and take the matter up with the Committee on Agriculture and Forestry, which, I understand, is to meet tomorrow, and let that committee then report the amendment to the Senate if it desires to do so.

Mr. THOMAS of Oklahoma. Mr. President, in view of the objections which have been made, the amendment, I presume, will lie on the table. I already have asked the chairman of the Committee on Agriculture and Forestry, the Senator from South Carolina [Mr. SMITH], to call a meeting of the full committee tomorrow morning, if it is agreeable, at which time the subcommittee report can be made to the full committee. Then, of course, it will be up to the full committee to take such action as it may deem proper. If the full committee tomorrow morning should agree to the amendment and agree to support it, that is one thing. If it does not agree to support it, that is another. In either event the amendment will be on the desk of the presiding officer, to be called up at the will of the author.

Mr. BARKLEY. I think that is the proper course to pursue.

The ACTING PRESIDENT pro tempore. The amendment will be printed and lie on the table.

#### REPORT OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

Mr. GREEN. Mr. President, I desire to make a few remarks about two Government reports made public today.

Mr. BARKLEY. Mr. President, we are still in the morning hour. Will the Senator's remarks consume more than five minutes?

Mr. GREEN. No. These reports are of exceptional interest to the people of the United States, and might possibly escape the attention of some Senators.

Mr. President, the Annual Report of the Federal Deposit Insurance Corporation to Congress for the year ended December 31, 1941, and the report to insured banks as of June 30, 1942, both just made public, reflect great credit upon the activities of this agency of the Federal Government and upon its sound supervisory influence over the 13,500 insured banks of the country.

It is encouraging, indeed, to note among the conclusions of the Corporation's Chairman, Leo T. Crowley, that—

Depositors throughout the country have every reason today for confidence in the soundness of the American banking system. The banks have today fewer criticized assets than at any other time in their history. They consequently are in an excellent position to lend vigorous support to financing the war effort.



Through June 30, 1942, 381 insured banks, having 1,247,638 depositors with total deposits of \$479,497,000, had been liquidated or merged with the aid of loans from Federal Deposit Insurance Corporation. Deposits amounting to \$468,781,000, or 97.8 percent of the total deposits in these banks, were made available promptly without loss to the depositors. Only 1,952 of the 1,247,638 depositors, or less than two-tenths of 1 percent, held accounts in excess of \$5,000 and were not completely protected.

Performance of this sort by the Corporation has been perhaps the most effective stabilizing factor for our financial system in the last decade. The confidence inspired in bank depositors by the mere existence of a sizable insurance fund to protect them from loss is undoubtedly great. Knowledge that the financial strength of Federal Deposit Insurance Corporation is reinforced and husbanded through careful administration and through careful supervision of the affairs of insured institutions makes our people doubly confident of their security and so makes our financial system more stable and effective.

It is gratifying as well as significant to learn that this complete protection of depositors in the country's banks during the past 8½ years has been accomplished simultaneously with the regular growth of capital and surplus within the Corporation. On June 30, 1942, capital and surplus of F. D. I. C. amounted to about \$584,000,000. Surplus accumulated during the entire period of F. D. I. C. operations was about \$294,600,000 on that date, a figure \$4,400,000 in excess of the entire assessments collected from insured banks since deposit insurance began. In other words, all deposit insurance losses and expenses as well as all administrative expenses of the Corporation have thus far been more than covered by the Corporation's interest and profits on its investments.

Chairman Crowley sees no potential drains upon the Corporation's funds in the near future. He proposes, though, to continue accumulating reserves for the Corporation through assessment upon insured banks at the present legally prescribed rate until the effects of post-war readjustment upon the banks are known.

In such parlous times as these it is good to know that factors so vital to our national welfare as the soundness of our banking system and the safety of bank deposits are receiving the unremitting attention of a strong, well administered, eminently successful Federal agency.

The ACTING PRESIDENT pro tempore. Routine morning business is concluded.

#### PLANTING OF GUAYULE AND OTHER RUBBER-BEARING PLANTS

Mr. DOWNEY. Mr. President, one of the imperative recommendations of the Baruch rubber committee was that the guayule rubber-growing program should have its acreage expanded. That recommendation is supported by the President, by the War Production Board, by the Department of Agriculture, and, I think, by all other governmental agencies. In conformity with that recommendation, last week the Military Affairs Committee

favorably reported Senate bill 2775. I now ask unanimous consent for the present consideration of the bill.

The ACTING PRESIDENT pro tempore. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2775) to amend the act of March 5, 1942, relating to the planting of guayule and other rubber-bearing plants.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and insert:

That paragraph (2) of the first section of the act entitled "An act to provide for the planting of guayule and other rubber-bearing plants and to make available a source of crude rubber for emergency and defense uses", approved March 5, 1942, is amended by striking out the word "seventy-five" and inserting in lieu thereof the words "five hundred"; and by striking out the words "and land for nurseries" before the semicolon at the end of such paragraph and inserting in lieu thereof the following: "land for nurseries and administrative sites, and water rights."

SEC. 2. Paragraph (3) of the first section of such act is amended by inserting after the first semicolon the following: "to acquire water rights; to erect necessary buildings on leased land where suitable land cannot be purchased;"

SEC. 3. Paragraph (4) of the first section of such act is amended by inserting after the first semicolon the following: "to purchase guayule shrub;"

SEC. 4. Paragraph (8) of the first section of such act is amended by striking out the words "of seventy-five" and inserting in lieu thereof the words "not in excess of 500."

SEC. 5. Section (2) (a) of such act is amended by inserting after the words "citizens of" the word "other"; and by striking out the words "in the Western Hemisphere."

SEC. 6. Section 2 of such act is amended by adding at the end thereof the following new subsection:

"(e) In carrying out the provisions of this act the Secretary shall have all of the authority conferred upon him by the act entitled 'An act to facilitate and simplify the work of the Forest Service,' approved January 31, 1931."

Mr. DOWNEY. Mr. President, the bill has three or four rather inconsequential perfecting amendments. The major objective sought to be reached by the bill is to increase the potential acreage from 75,000 to 500,000 acres, in the discretion of the Department of Agriculture. One reason the change is made is that, strangely enough, the yield of seeds from the guayule plant was eight times what we had anticipated, which permits a greatly expanded program. It is the desire of the governmental agencies to take advantage of that possibility and to plant a larger acreage.

I submit the question upon that statement, and ask that the bill be passed.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee. The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### STABILIZATION OF THE COST OF LIVING

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 161.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 161) to aid in stabilizing the cost of living.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Banking and Currency with amendments.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the formal reading of the joint resolution be dispensed with, that it be read for amendment, and that the amendments of the committee be first considered.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

Mr. BROWN. Mr. President, I should like to make a brief statement. Let me say to the Senate that, if I can proceed without interruption until 5 or 10 minutes after 1 o'clock, I think I can give a brief over-all picture. Then I shall be pleased to answer any questions with respect to the bill that may be propounded to me.

In the committee all of us strove as mightily as we could to expedite consideration of the joint resolution. On this highly important measure we spent 2 days in public hearings and 2½ days more in executive consideration. The House greatly expedited consideration by eliminating public hearings altogether. The Senator from New York [Mr. WAGNER], chairman of our committee, invited Members of the House to attend our hearings, and they did so. A great many Senators took advantage of the opportunity to attend the hearings, and some of them participated in questioning the witnesses.

I say this because I realize the necessity for very prompt consideration. I myself refrained from asking, as I recall, more than half a dozen questions or so during the hearing. I think everyone rather thoroughly understands the need and necessity for some action at the present time. So far as I can gather, outside the consideration, perhaps, of two rather important amendments, or possibly three, there is not much disagreement about the measure. Of course, it is not written in exactly the way that this Senator or that Senator would like it written; but I think it rather well covers the general subject matter, and I think it does substantially what the President has asked.

There is no question in my mind that the Price Control Act and the pending measure, which is in substance an amendment to the Price Control Act, are by no means the only weapons necessary to combat rising costs of living. The tax bill is just as important, if not more important, in taking care of the subject of inflation. We have heard a great deal

about the inflationary gap. I shall skip details, and shall give a brief analysis in the shape of five figures, two of them on the debit side and three of them on the credit side, which show what the inflationary gap is.

The inflationary gap is the amount of money which will be available for purchase of goods in excess of the supply of such goods. This is regarded by the economists, the Treasury, the Office of Price Administration, and the Department of Agriculture as the real inflation danger. It is the dammed-up purchasing power which endangers the price-control structure. It is now estimated that the national income for the calendar year 1942 will be in the neighborhood of from \$113,000,000,000 to \$115,000,000,000.

The only taxes which can be considered as a reduction of that purchasing power are the taxes paid by individuals. The taxes paid by corporations are production taxes; they are not taxes which are to be deducted from the income which individuals receive. So there will be a total of approximately \$35,000,000,000 of taxes, on the basis of State, local, and county taxes as they now are, and on the basis of the tax bill as it now stands in the Senate; but of that sum, only \$6,000,000,000 will be paid by individuals and will be deducted from their individual incomes. So I am reliably informed that the first item to stand against the \$115,000,000,000 of individual incomes in the United States, which is the basis of purchasing power, is the \$6,000,000,000 of individual income taxes.

Savings, which include the items of purchase of Government bonds, individual savings, purchases of insurance, and the payment of debts—and the President estimated that debt payments will amount to approximately \$4,000,000,000, which, of course, is a highly deflationary figure—total \$24,000,000,000. I am advised by the economists to whom I have alluded that that \$24,000,000,000 may be deducted along with the \$6,000,000,000.

It is further estimated that at the present level of supplies there will be \$65,000,000,000 worth of goods for consumers to buy on the basis prices under the general maximum price regulation. Those are the goods which will be bought by consumers—food, clothing, and all the things which consumers will buy, things which we as individuals require.

So on one side of the ledger we have a national income of \$113,000,000,000 or \$115,000,000,000, and on the other side purchasable goods amounting to \$65,000,000,000, individual income taxes of \$6,000,000,000, and \$24,000,000,000 expended for Government bonds, debt payments, individual savings and the purchase of insurance, making a total of \$95,000,000,000, which leaves a gap of between \$18,000,000,000 and \$20,000,000,000 as the amount of money which will be available to individuals in the United States to spend, but for which no goods will be available for purchase. I hope I have made the matter plain; I have tried to state it as clearly as possible.

The gap of between \$18,000,000,000 and \$20,000,000,000 is the sum of money which the Secretary of the Treasury is hopeful he may find some means of reaching by

way of compulsory savings and other means. It is the overwhelming danger in the picture.

I am advised by those in charge of price control that, although they feel that the enactment of the proposed legislation would give the President authority to maintain prices of goods substantially as they are, they desire it to be known that, in view of this pent-up purchasing power, it will not be possible to stop all price rises now. There is no question in my mind, from some study on the subject, that prices must be permitted to go a bit higher because of the necessities of the situation.

I hope the discretion in that respect will be left with the President of the United States. In the pending measure we have provided certain guideposts and directions; but there is no doubt that the farm labor situation, and possibly the situation with respect to labor in some other fields in the economic picture, will require some readjustment of prices. I should not want the country to believe that either the Congress or the administration was satisfied that we can now stabilize prices absolutely at their present level. I am reliably informed that it is hoped with some confidence by those in charge or who will be in charge of the administration of the measure that rises of from 3 percent to 5 percent should be the limit. If we can do that we shall have accomplished a marvelous work in meeting the threatened rise of prices throughout the United States. I shall not go into detail as to how much food costs have risen, or how much costs have risen with respect to uncontrolled prices.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from Oregon.

Mr. McNARY. I hesitate to interrupt the remarks of the able Senator unless it is with his consent.

I was attracted by the statement he made that, in his opinion, prices would not increase more than 5 percent. In what length of time would that be?

Mr. BROWN. I want the Senator to be sure to say that I said they hoped they would not increase more than from 3 to 5 percent, and that that hope was based upon some confidence.

Mr. McNARY. Yes; and let us confine the expression to the word "hope" only, rather than to anything final.

Mr. BROWN. Yes.

Mr. McNARY. How long may that hope continue?

Mr. BROWN. At the time when the price-control bill was passed it was my judgment that rises could be kept within a limit of approximately from 1 to 1½ percent a month, and that was the judgment of the senior Senator from Ohio [Mr. TAFT], who agreed with me in that respect. Based upon my own knowledge, and not quoting the Price Administration in that respect, I should think that if we maintained prices at levels not to exceed 5 percent of present levels for the ensuing year—let us say until December 1943—that would be an achievement. I should not want to predict beyond that time.

Mr. McNARY. Precisely—a very great achievement.

Let me ask a further question. Does that increase of 5 percent as a maximum include increases in farm prices and wages?

Mr. BROWN. We are talking about the cost of living.

Mr. McNARY. Yes; I am, too.

Mr. BROWN. That is the figure, and it seems to me that it covers both farm prices and wages.

Mr. McNARY. So the 5 percent increase as a prophecy includes both farm prices and wages, does it?

Mr. BROWN. Yes; I think so—their effect on the cost of living.

Mr. President, with that brief explanation of the fundamental economics of the situation, I was about to give a statement of the over-all difference between controlled prices and uncontrolled prices. I know that will be the subject of considerable argument later in the debate; but I give the facts as they are presented to us by the Office of Price Administration. Controlled prices from May 15 to August 15 have been held down practically at a level; they have not increased; in fact, there has been a decrease of three-tenths of 1 percent. In the case of uncontrolled food prices—and let it be admitted here that the fact that they are not controlled is not entirely due to a lack of legal authority to control prices—it has been necessary to go beyond the floor, so-called, in some instances. The increase has been substantially 10 percent from May 15 to August 15. That shows the trend, and it is undoubtedly the reason why it is felt by those in charge of the program that we should eliminate the limitations upon the power of the Price Administrator contained in section 3 of the Price Control Act.

Mr. AIKEN. Mr. President—

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Vermont?

Mr. BROWN. I yield.

Mr. AIKEN. In regard to the increase in the price of uncontrolled products, is it not true that the increase has been due partly to the deliberate bidding up of prices by the Federal Government itself in order to secure production? Is it not particularly true in the case of dairy products that the Federal Government deliberately boosted the price of butter because it was not getting enough at the regular prices?

Mr. BROWN. Yes; I assume that may be true.

Mr. AIKEN. That is not due to any lack of authority to control?

Mr. BROWN. Perhaps not. The price control law contains in it directions to the Price Administrator and to the Secretary of Agriculture to permit prices to go up, in fact, to increase prices if it is necessary in order to encourage production, which is, of course, an indication of what policy may perhaps have to be followed on the farm-labor question.

Mr. President, with that brief statement of the economics, I desire to go through the joint resolution and explain its provisions.



Mr. LUCAS. Mr. President—

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Illinois?

Mr. BROWN. I yield to the Senator from Illinois.

Mr. LUCAS. I should like to ask the Senator if he has a chart or table which shows the commodities which are controlled and those which are uncontrolled and the total amount in value of the controlled and the uncontrolled commodities?

Mr. BROWN. My recollection is that there is not a chart but the figures are contained on page 18 and pages 21 and

22 of the hearings. If that is not correct, some of the experts in the Price Administration, who are here, can shortly give the Senator from Illinois the information.

Mr. LUCAS. Will the Senator revise his remarks at the proper time to see that the figures are put in the RECORD?

Mr. BROWN. I think the table on page 18 of the hearings may give the Senator the information he desires, and I ask that it be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD as follows:

Minimum price ceilings for selected agricultural commodities

Commodity and unit	Actual price, Aug. 15, 1939	Actual price, Aug. 15, 1942	Parity price, Aug. 15, 1942	Minimum price ceilings <sup>1</sup>			Percent increase, August 1939 to August 1942	Percent which actual price would have to increase to reach	
				110 per cent of parity price, Aug. 15, 1932	Average price, July 1919 to June 1929	Actual price, Dec. 15, 1941		Ceiling under present act	Parity price
Rice, per bushel (cents).....	58.9	162.9	123.6	136.0	126.0	143.9	176.6	-11.7	-24.1
Wheat, per bushel (cents).....	54.5	95.4	134.4	147.8	132.5	102.2	75.0	54.9	40.9
Corn, per bushel (cents).....	45.7	83.4	97.6	107.4	88.9	66.9	52.5	28.8	17.0
Oats, per bushel (cents).....	25.4	42.6	60.6	66.7	47.4	45.2	67.7	56.6	42.3
Barley, per bushel (cents).....	34.5	56.7	94.1	103.5	69.3	56.1	64.3	82.5	66.0
Rye, per bushel (cents).....	34.2	49.2	109.4	120.3	94.7	57.8	43.9	144.5	122.4
Flaxseed, per bushel (dollars).....	1.85	2.26	2.57	2.83	2.34	1.78	67.4	25.2	13.7
Cotton, per pound (cents).....	8.70	18.03	18.85	20.74	21.47	16.23	107.2	19.1	4.5
Potatoes, per bushel (cents).....	69.1	115.4	108.1	118.9	124.1	82.7	67.0	7.5	-6.3
Sweetpotatoes, per bushel (cents).....	90.7	137.3	133.5	146.8	134.4	86.6	51.4	6.9	-2.8
Hay, per ton (dollars).....	6.77	8.89	18.04	19.84	13.53	9.43	31.3	123.2	102.9
Peanuts, per pound (cents).....	3.30	5.99	7.30	8.08	5.83	4.79	76.7	34.1	21.9
Apples, per bushel (dollars).....	.66	1.16	1.46	1.61	1.46	1.09	75.8	38.8	25.9
Hogs, per 100 pounds (dollars).....	5.30	14.13	11.05	12.16	9.77	10.32	160.6	-14.0	-21.8
Beef cattle, per 100 pounds (dollars).....	6.74	11.30	8.24	9.06	7.18	9.54	67.7	-17.3	-27.1
Veal calves, per 100 pounds (dollars).....	8.08	12.91	10.26	11.29	9.56	11.18	59.8	-12.5	-20.5
Lambs, per 100 pounds (dollars).....	7.21	12.07	8.94	9.83	11.12	10.13	67.4	-7.9	-25.9
Butterfat, per pound (cents) <sup>2</sup> .....	22.4	40.6	38.0	41.8	44.0	36.0	81.3	8.4	-6.4
Chickens, live, per pound (cents).....	13.0	19.6	17.3	19.0	21.1	15.8	50.8	7.7	-11.7
Turkeys, live, per pound (cents).....	14.3	19.9	21.9	24.1	28.8	20.9	39.2	21.1	10.1
Eggs, per dozen (cents) <sup>2</sup> .....	17.5	32.2	31.7	34.9	33.2	34.1	84.0	8.4	-1.6
Wool, per pound (cents).....	22.0	39.4	27.8	30.6	34.1	37.1	79.1	-5.8	-29.5
Beans, per 100 pounds (dollars).....	2.63	4.45	5.12	5.63	5.77	4.93	69.2	29.7	15.1
Cottonseed, per ton (dollars).....	16.24	44.04	34.28	37.71	36.17	44.65	171.2	14.4	-22.2

<sup>1</sup> Minimum price ceiling in italics.

<sup>2</sup> Seasonally adjusted.

<sup>3</sup> The minimum ceiling is the approximated price on Oct. 1, 1941, which was 50.36.

Source: U. S. Department of Agriculture.

Mr. BROWN. Mr. President, if Senators care to follow the joint resolution, I will call attention to its main provisions.

Section 1 authorizes and directs that a general order stabilizing prices and wages as of their level on September 15, 1942, shall be issued by November 1, 1942. In order to be fair to both sides to the controversy in regard to wages and farm prices the original contemplation of the proposed legislation was that the order of stabilization should be made contemporaneously or simultaneously, as some Senators indicated. It was felt by the committee that that should be done in a general way, but that that might be difficult for the President, relying upon the Price Administration for a food control order and upon the National War Labor Board and the Department of Labor and other agencies for a wage control order, to do so. Indeed it might not be desirable to have them issued upon the same day. So, after some discussion in the committee, we decided to name a nearby date as a date before which both orders would have to be issued, without requiring that they be issued simultaneously. It

may be of interest to note that the date fixed is November 1, 1942.

Mr. TAFT. Mr. President, will the Senator yield for a moment?

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan yield to the Senator from Ohio?

Mr. BROWN. I yield.

Mr. TAFT. I understand the Senator construes this language to mean that action can be taken in separate orders. As I understood, it must be taken in one general order, which necessarily would cover both wages, prices, and salaries and would be simultaneous.

Mr. BROWN. I think that it should be done in that way, I will state to the Senator from Ohio.

Mr. TAFT. I agree entirely with the Senator. I merely wanted to be sure that that was his interpretation.

Mr. BROWN. I think it should be done in that way; but I do not want to require the administration to issue the orders simultaneously if it thinks it is desirable to make the order with respect to wages and prices on different days, so long as it is done by November 1, 1942. As a mat-

ter of practice, in my judgment, it will probably be done on the same day.

Mr. TAFT. My interpretation of the expression "a general order stabilizing prices, wages, and salaries" means one order. Obviously one order must be issued on one day. So that I should think, as the joint resolution is drawn, it would have the effect of requiring a simultaneous dealing with both subjects.

Mr. BROWN. For the reasons I have stated, I do not want to hold the President to the absolute issuance of an order covering both on exactly the same day; I think the general order might be in two sections, one on wages and one on prices; but I think we are talking about something that is not of great moment.

By explicit language directing that wages and prices shall be stabilized as of the September 15 level—and September 15 was adopted because the 15th day of the month is the day on which statistics are issued by various departments of the Government—we tried to make as plain as we could the legislative intent that that level shall be the level of the general order of stabilization.

It is perfectly obvious that exceptions will have to be made. When we did this, we were conscious of the demand on the part of many Senators that there should be a fixing of wages and prices so far as practicable by the Congress and not by the President. We think we have gone as far in that respect as it is reasonably possible to go. It would not be reasonable to freeze everybody's wages and freeze all prices at that level. We would be violating the principles of the Price Control Act, which allows increases in prices in order to encourage production; we would be violating the principle of the Little Steel formula, which is that there should be a general average of wage rates at a figure 15 percent above the level of January 1, 1941, and a tying of the relationship between the cost of living and wages under that formula. Certainly in a great many cases, as the President pointed out, wage contracts and agreements are in existence between employer and employee fixed, we will say, upon the level of wages of January 1, 1940, or any other date between then and now, which did not reflect the increase in the cost of living; and it would be unjust and unfair when other wage increases have been permitted to prevent further consideration by the President of the adjustment of such wages up to the general level laid down by the National War Labor Board. Numerous instances could be given of similar injustices.

Mr. VANDENBERG. Mr. President, will my colleague yield?

Mr. BROWN. I yield.

Mr. VANDENBERG. I should like to ask for an interpretation at this point of the language at the top of page 2, covering the authority to make the adjustments. It seems to me it is a rather strange discrimination when the President apparently can make adjustments with respect to prices, wages, and salaries to the extent that he finds necessary to correct gross inequities, but in the case of increases in these items he must also find that they are necessary to aid in the effective prosecution of the war. My question is, Does this mean that the

President can make adjustments with respect to prices, wages, and salaries, as quoted in the first three lines, solely for the purpose of correcting inequities, whatever they may be, and regardless of their effect on the prosecution of the war?

Mr. BROWN. I will say to the Senator that his colleague accepted that amendment, proposed by the Republican members of the committee, with some reluctance. I was anxious to place a period after the words "gross inequities," or, if we included the phrase "to aid in the effective prosecution of the war," to let it apply to both increases and decreases. That was the idea of the junior Senator from Michigan, who was the author of the bill with the Senator from New York [Mr. WAGNER]; but I was persuaded by the Republicans on the committee to adopt this formula.

Mr. VANDENBERG. I am sitting over here on the Democratic side this afternoon, and I will join my colleague in his view on the subject. I do not think this should be allowed to stand as it is, because if this language means anything at all as it is written today—and I do not see how it could come from the sources the Senator indicates, under the circumstances—it means that the President would have a right to adjust all prices, wages, and salaries in this country solely for the purpose of correcting gross inequities, which means for social-reform purposes, if he desires, regardless of any effect on the conduct of the war. Is not that true? Could he not, under that language, reduce all incomes to \$25,000 by Executive order?

Mr. BROWN. I desire to go into that subject later, but it is my judgment that the authority is not contained in a bill which stabilizes salaries as of September 15, 1942.

I will say to the Senator that the representatives of the two large organized labor organizations agreed with that view in the committee. There is subsequently provided in the joint resolution, in my judgment, authority to adjust prices and wages up or down, as will appear a little later during my statement of the contents of the measure. This is one case in which I find myself in agreement with the principle enunciated by my colleague, and it finds him and me joining in opposition to the proposition of the junior Senator from Connecticut [Mr. DANAHY], who proposed the amendment, and the Senator from Ohio [Mr. TAFT], whom I see rising to his feet, who supported it.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TAFT. Of course, the objection that was made to the original language was somewhat different from that suggested by the Senator from Michigan. The language read that "to the extent that he finds necessary to correct gross inequities or to aid in the effective prosecution of the war." Once we insert the phrase "to aid in the effective prosecution of the war" we open the door, and the sky is the limit. The language is so broad that, in my opinion, it means nothing. If the President could make

adjustments where he found it necessary "to correct gross inequities or to aid in the effective prosecution of the war," it would mean that he could reduce prices and wages all he desired just to aid in the effective prosecution of the war. If the word "and" is used, providing that he shall find the step necessary for both reasons, that is, that it will correct gross inequities, and also that it will aid in the effective prosecution of the war, I see no objection to that, if it is thought desirable.

Mr. VANDENBERG. Then everyone would be satisfied, so far as this three-ring circus is concerned, if we took out the words "in the case of increases." Am I correct?

Mr. TAFT. If we changed the word "or" to "and"

Mr. BROWN. That was the point which the junior Senator from Connecticut desired to make perfectly plain—that the President, to aid in the effective prosecution of the war, could let things go up, but he could not let them go down for that purpose, even if it were necessary.

Mr. TAFT. I have serious doubt of the need of granting the President power to reduce at all, but certainly my feeling is that if he could reduce at all there should be placed on that power every reasonable restriction.

Mr. BROWN. I am perfectly willing to give some further consideration to that point because my colleague and I are in substantial agreement.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. AIKEN. I should like to ask the Senator from Michigan if he will explain at this time why the words "and other factors" were deleted from the measure.

Mr. BROWN. I shall be very happy to do that.

Mr. AIKEN. Why does the joint resolution restrict the President to regulating agriculture and labor alone?

Mr. BROWN. And salaries.

Mr. AIKEN. And exempt the other 50 percent of the costs which enter into consumer goods, where much of the saving in consumer costs could be made? I should like to know the reason for deleting these words, and who wanted that amendment made to the joint resolution.

Mr. OVERTON. Mr. President, will the Senator from Michigan yield before he leaves the matter he has been discussing?

Mr. BROWN. I should like to answer the Senator from Vermont.

Mr. OVERTON. I desired to ask the Senator a question with regard to the subject he was discussing with his colleague.

Mr. BROWN. Will not the Senator defer until I make a brief explanation to the Senator from Vermont?

Mr. OVERTON. Very well.

Mr. BROWN. As the joint resolution was originally introduced, the phrase "other factors" was included in it. The Office of Price Administration was desirous of including certain classes of services, and upon inquiry I found that, although they were intending to cover certain personal services, they did not intend to cover fees of doctors, lawyers,

and so on, and so forth. I felt that the matter was too inconsequential to justify a distinction of that character.

It was also thought by the Office of Price Administration that there should be an over-all power in the President to put a top on rates charged by common carriers and other public utilities. The junior Senator from Michigan is in agreement with that view of the Office of Price Administration. However, we finally came to the conclusion that it would be best to confine the subject matter to the principal factors in the cost of living, that is, the seventy-five or seventy-six billion dollars in wages and salaries, out of a total of \$115,000,000,000, and farm prices, which is by far the next most important factor.

I know that the chairman of the committee, the Senator from New York [Mr. WAGNER], will sustain me in the statement of my view. I did not insist upon a vote. I call this matter to the particular attention of the senior Senator from Nebraska. It was my view that we should include in the joint resolution an over-all power in the President, which I think would be seldom exercised, to put a top on transportation charges and public-utility charges. Knowing that the Senator from Nebraska had in mind the offering of an amendment making such provision, I decided not to make an issue of it in a committee which was getting along pretty well in bringing about general agreement on the part of all those interests which were represented around the table, but to leave that proposition for determination by the Senate, without an express indication of how the committee felt about it. That is why the words "and other factors" were stricken from the bill.

Mr. AIKEN. I thank the Senator.

Mr. OVERTON. Mr. President—

Mr. NORRIS. Mr. President, I should like to ask the Senator from Michigan a question about the matter which the Senator from Vermont brought up.

Mr. BROWN. I yield to the Senator from Nebraska.

Mr. NORRIS. I have had several conversations with the Senator, as he knows, about this particular matter, and I should like to ask him whether he believes the condition which I have been trying to prevent, by the amendment I have heretofore suggested, is completely met by striking out the words which the committee has now stricken out; that is "other factors."

Mr. BROWN. Other factors in the cost of living.

Mr. NORRIS. Does it say that?

Mr. BROWN. "Other factors affecting the cost of living." The Senator will find that in lines 6 and 7, on page 1.

Mr. NORRIS. The Senator will find it again on page 2, line 3. I should like to say to the Senator that I have just written at my desk, and sent to the clerk for printing, an amendment which proceeds on the theory that the committee amendment will be agreed to, but if the words "and other factors" include the power to prevent utility rates going up, either they should be retained in the joint resolution, or some other specific amendment should be added. The



amendment I have asked to have printed, and which will be printed and on Senators' desks tomorrow, proposes at the end of line 6, page 2, to add a proviso, reading:

*Provided, That no public utility rates of a common carrier or other public utility on September 15, 1942, shall be increased without the consent of the President.*

It seems to me such an amendment would have the same effect as the language stricken out by the committee. That amendment would probably be unnecessary if the Senate does not agree to the committee amendment striking out the words "and other factors", and provided also that the phrase "and other factors" is sufficiently broad.

I offer the amendment because in the act setting up the Office of Price Administration we have left what seems to me to be a loophole. In other words, if we are going to prevent inflation, and do so by controlling various factors which enter into the cost of living, we have to control all of them, or the effort will result in failure. That is the reason we ought to include wages and cost of farm operations, and we ought to include, also, all public-utility rates, because everyone knows that they enter very materially into the cost of living. Yet under the existing law as it now stands, the Price Administrator has no jurisdiction whatever over public-utility rates. If requested utility rate increases are granted the price of water, telephone rates, and price of electric light and of gas, and streetcar fares in various cities will go up. In dozens of cities utilities are now asking for increased rates. Unless we take that matter into consideration, and control utilities also, then any price which is fixed by the Administrator, or, if the measure before us is passed, by the President, will simply not fit into the scheme, and the whole matter will be knocked into a cocked hat. I think we will have to give to whoever is going to handle this matter the right to prevent public-utility rates from going up, because increase in utility rates will mean a rapid increase in the cost of living.

Mr. BROWN. Mr. President, I will say to the Senator from Nebraska that I am in general agreement with his view, and I think his amendment is better than the original language of the measure. I wish to point out, however, and this is probably what is in the mind of the Senator from Ohio [Mr. TAFT] who is on his feet, that public-utility rates are at the present time covered and controlled pretty largely by various public-service commissions, while there is a vast field in the wage structure that is not covered, and there is a considerable field, particularly in the field of the price of food, that is not covered. The Interstate Commerce Commission, of course, has complete jurisdiction over railroad rates. The Federal Power Commission has considerable authority in its field, and I think practically all the 48 States—

Mr. NORRIS. And the one thousand municipalities.

Mr. BROWN. Yes. I think practically every one of the 48 States has control.

I understand there are States, however, where telephone rates, for example, are not controlled by any public-service commission, and the reason why I, so far as I am individually concerned, will support the amendment of the Senator from Nebraska, is to cover those cases where there is no present control, or the present control is inadequate, and to establish a general over-all policy of no rises beyond September 15, 1942, except in the case of gross inequities, as the phrase is in the bill.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TAFT. Those who objected to the phrase "other factors" had no particular matter in view, but objected to the generality of the language, which may include everything one can think of, and many things one cannot think of. There is hardly a thing in the United States which does not affect in some way the cost of living, and I hope the Senator from Nebraska will pursue his policy of offering particular amendments on particular subjects.

For instance, on the question of railroad rates, if it should be proposed to give the President power to supersede the Interstate Commerce Commission and go into the business of regulating all railroad rates, I think I should oppose such a proposal. On the other hand, if it should be proposed that in that case the Interstate Commerce Commission should not act to increase railroad rates without the President's approval, I think I would support such a proposal. As I heard the amendment of the Senator from Nebraska, I understood it to read that no public-utility rates should be increased without approval of the President. On the other hand, it seems to me unwise, where these things are already regulated, to give the President power to step in and decide the whole thing, and reduce, under provisions of this measure, various rates in different places. I think that would be a mistake.

As I say, fundamentally, I think that those who wanted this language taken out were not objecting to any particular matter, but felt that each thing should stand on its own feet, and, if we were to deal with it, we ought to deal with it specifically, and not in general language which could extend to everything one can think of, such as, for example, insurance and rates of interest. There is hardly a single transaction of any kind that would not fall under this provision. I may say that the use of the word "prices" used generally here, and not tied down to the definition of the Price Control Act, may well cover utility rates, the price of electricity, the price of gas, and the price of water. I do not know. But I see no objection to the—

Mr. NORRIS. I think they ought to be covered. That is all I care for; that they be covered.

Mr. BROWN. Mr. President, in line with what the Senator from Nebraska has said, I may add that it was felt by the committee that the words "and other factors" affecting the cost of living were pretty broad, and would bring in the serv-

ices of a great many people, whose effect upon the cost of living is inconsequential. Therefore, I think the amendment which the Senator from Nebraska proposes is better than the committee amendment to cover the rather large field of public-utility rates.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. AIKEN. Since my question seems to have precipitated the discussion of public-utility rates, I should like to explain that that was not the thought behind my question at all. The measure as reported by the committee proposes to regulate labor and farm prices alone, whereas 50 percent of the cost entering into consumer goods lies in the distribution and the merchandising, rather than in the labor and raw material costs. So far as I can see, with the words "and other factors" stricken out, there is no control over the distribution costs. For instance, the New York City consumer of milk now pays, I believe, 18 cents for a quart of milk which brings the producer somewhere between 4½ and 5 cents. That 4½ to 5 cents would be controlled. Yet the 13-cent spread goes uncontrolled under this measure. It seems to me that if its purpose is to control the cost of living, those factors ought to be considered, and language dealing with them should be placed somewhere in the bill. I do not know just what the right wording would be.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. TAFT. Those factors are in the bill. The Price Administrator can tell milk dealers the price at which retail milk can be delivered.

Mr. AIKEN. I will say to the Senator from Ohio that I do not question that, but it is the method of distribution which makes milk so expensive at the present time. When there are six milk wagons covering one street in the morning the customer is made to pay for that method of delivery, or it will be taken out of the farmer. When deliveries of milk are ordered to be made every other day, and the milk wagon drivers say, "Yes, we will make deliveries every other day, but you are not going to lay off any of us, or reduce our pay," that is a factor which ought to be controlled.

Mr. TAFT. Mr. President, the matter of wages is covered in the measure. If there are too many milk wagons, the distributors can be ordered to get rid of some of them; otherwise they will go broke. It seems to me the matter of distribution is covered in the measure.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. LUCAS. I call the Senator's attention to the language on page 1, lines 7 and 8, as follows:

Except as otherwise provided in this joint resolution, such stabilization shall, so far as practicable, be on the basis of the levels which existed on September 15, 1942.

Am I to understand that that language is to be liberally construed to the end that the President, for instance, could go back

of September 15—a number of days or months in order to fix a salary or a wage or a price?

Mr. BROWN. Yes; in section 3 of the bill specific reference is made to that proposition. If the Senator will permit me to explain section 2 briefly, then we will go into section 3, which I think is of considerable importance.

Section 2 merely authorizes the President to use existing agencies in carrying out the provisions of this measure, and contains a specific power to suspend, as may be necessary, section 3 of the price-control measure insofar as it relates to the four ceilings, which were placed in the original price-control bill—110 percent of parity, the 1919 to 1929 period, the October 1, 1941, or December 15, 1941, limitations.

The President may suspend those limitations, which are in reality the substance of the measure insofar as it relates to agriculture.

Section 3, to which the Senator from Illinois alludes, contains the limitation on the power of the President with respect to farm prices. He may in no event go below parity. I wish to put a period right there on that sentence. In no event may he go below parity in fixing prices.

Second, he may not go below the market price received by producers—that, generally speaking, means the farmers—for commodities between January and September 15 of this year, with the right in the Secretary to adjust for grade, location, and seasonal differences. I wish to make plain to the Senator that the second limitation is subject to the "gross inequity" exception. Clause 1, parity, is not subject to the gross inequity provision. Clause 2 is. If a price is grossly inequitable the President will not be required to follow strictly the injunction in clause 2 on page 3.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. LUCAS. The Senator spoke of the market price. I notice that the word "market" is stricken out.

Mr. BROWN. I misspoke myself. I meant the highest price received by producers.

Mr. LUCAS. Does that mean the highest prices in the various communities?

Mr. BROWN. Adjusted for grade, location, and seasonal differentials. I believe that that formula is very well understood in the Department of Agriculture. I know it is very well understood by the Senator from Alabama [Mr. BANKHEAD], who is interested in that question. That phrase is in practically all legislation relating to this subject matter.

The subsequent part of section 3 merely relates the processed article to the raw commodity.

With respect to the language on page 4, lines 3 to 13, I should prefer to leave that for later discussion, because it is the committee's compromise of the difficult and vexing question of farm labor. That language was written by the senior Senator from Wyoming [Mr. O'MAHONEY] as his judgment of a fair compromise on the question of farm labor,

and the committee adopted it just as he wrote it. I believe consideration of it should be deferred until we discuss the amendment which is to be offered by the Senator from Oklahoma [Mr. THOMAS].

Section 4 applies, as nearly as practical, the same limitations on the President with respect to wages and salaries as are contained in section 3 with respect to farm prices. In substance, it preserves for labor the provisions of the Fair Labor Standards Act relating to minimum wages, hours, and so forth and the right of collective bargaining contained in the National Labor Relations Act, and provides that the President may not reduce wages below the wages paid, at the highest level, between January 1 and September 15, 1942, unless he finds that those wages are grossly inequitable. We selected the phrase "gross inequities" to control the action of the President and confine it to those cases in which great injustice is done, and in which a gross difference between one wage and another exists.

Section 5 fills in the gap which now exists with respect to wage controls. The Senator from Ohio [Mr. TART] and myself have on numerous occasions—usually in his speeches and my interruptions of his speeches—called the attention of the country to the fact that there is a twilight zone where there is no authority on the part of the Government to control wages. That is in the field in which employer and employee themselves agree on a wage schedule. Under existing law, whenever a dispute arises the War Labor Board can take care of the situation. However, let us assume—and I believe such cases are very few in number—that some Government contractor should get together with his employees and mulct the Government by paying excessively high wages; and suppose that situation should escape the attention of the War Department, the Navy Department, and Mr. Nelson's department. Such a situation might result in wages which could not be controlled by any authority of law now existent. So we say that—

No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution.

The Senator from Georgia [Mr. GEORGE] might be interested in lines 10 to 15, on page 5, because they enter the field of taxation. The language provides that if wages are paid in contravention of section 5, they may be disregarded by the tax authorities of the United States in allowing deductions for wages paid. Similarly, excess wages will be disallowed as costs both by the procurement and price-control agencies of Government. Senators will realize that these are pretty strong penalties.

Subsection (b) makes all persons who violate the provisions of a regulation under this joint resolution subject to a fine of not more than \$1,000. No imprisonment is provided.

Section 6 relates to the termination date, which is highly important. The over-all date is June 30, 1944, a year from next June. The custom of Congress in providing for termination by Presidential proclamation is also followed in the joint

resolution; and, finally, there is a provision in the joint resolution to terminate it by concurrent resolution of the Congress. Some constitutional lawyers do not agree that we have such power, but the power is contained in a provision in the joint resolution. I believe everyone knows what that means; but I think I ought to say for the Record and for the press that if a majority of the Senate and of the House should adopt such a resolution, the act would be terminated. If that power is constitutional, we could terminate the act the day after it was enacted. I know that the Senator from Iowa differs with me on that proposition. I shall not enter into the constitutional argument. However, that power is contained in the joint resolution; and, of course, it has plenty of recent precedents in statutes which we have enacted.

Section 7 (a) extends the life of the Price Control Act for 1 year, from June 30, 1943, to June 30, 1944. So far as I recall, there was no objection whatsoever in the committee, and I have heard no objection on the part of any Member of Congress to such extension. The original termination in the Price Control Act probably allowed too short a period.

Subsections (b) and (c) are formal only and for purposes of administration. They confirm and relate to existing price control regulations and orders. I should add that in my judgment, and I feel sure that the committee concurs, the same result would obtain even without these sections. Existing regulations and orders would remain unaffected by this resolution, and future regulations and orders, pursuant to this resolution, will be subject to the standards, specialized procedures for administrative and judicial review, and penalties of the Price Control Act.

With respect to sections 8 and 9, I do not desire now to make a statement upon that subject matter, except to state what the sections contain.

Sections 8 and 9 contain a mandatory direction to the Commodity Credit Corporation to increase loans on basic commodities and commodities which are the subject of encouragement by the Secretary of Agriculture for war production. Sections 8 and 9 would increase the authority under existing law by 5 percent, from 85 to 90 percent. In the committee, as well as in the Senate, that is a very controversial matter, and will doubtless be thoroughly discussed subsequently on the floor of the Senate.

Section 10 is of no major importance. It merely provides that wages and salaries shall include bonuses, which are ordinarily paid in December, during the Christmas season, when adjustments of wages are made on the basis of profits. Pensions are often granted, and gifts of insurance are often made. That custom or practice is approved, and the President is directed to take such additional payments into consideration in determining the level of the September 15, 1942, wage. Personal services, of course, mean those services ordinarily rendered by an employee to his employer.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from Texas.



Mr. CONNALLY. I do not wish to interrupt the Senator. He stated that he wished to proceed without interruption.

Mr. BROWN. I will say to the Senator that that prohibition no longer obtains.

Mr. CONNALLY. Does the Senator believe that under the terms of the joint resolution the President could change the rate of salary of a State or Federal official, whose salary is fixed by law?

Mr. BROWN. No; I believe not.

Mr. CONNALLY. Neither upward nor downward?

Mr. BROWN. That is correct.

Mr. CONNALLY. I believe that is the correct view. Salaries which Congress has fixed by law certainly should remain unchanged until the Congress itself changes them.

Mr. BROWN. The joint resolution contains no authority to change such salaries.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. TAFT. Is it not fair to say that no statutes can be set aside under section 2 of the bill, in lines 18 and 20 on page 2?

The language reads:

The President \* \* \* may not under the authority of this joint resolution suspend any other law or part thereof.

Consequently the provision is not a general one relative to salaries; it applies to all congressional action.

Mr. CONNALLY. That may be.

Mr. BROWN. Let me say to the Senator from Texas that I think we have taken care of the matter to which he called my attention in connection with a letter received from a constituent of his in Texas. In other words, he moved the somewhat slow and laborious machinery of legislation sufficiently to get his ideas written into the measure.

Mr. CONNALLY. I thank the Senator.

Mr. BROWN. Mr. President, that is all I have to say on the subject matter of the joint resolution unless some other Senator desires to ask me some further question.

Mr. GILLETTE. Mr. President, I should like to ask a question, if the Senator will yield to me.

Mr. BROWN. I yield.

Mr. GILLETTE. The penalty provision, on page 5, of course, is limited to the violation of regulations relative to wages and salaries. Is it the thought of the framers of the pending legislation that the Price Control Act now on the statute books carries a penalty provision sufficient to meet other violations of regulations?

Mr. BROWN. I think it does. It was intended to, and the language is plain. In addition, as the Senator well knows, there is available in the United States Code a rather severe penalty which takes care of any violations of any acts of Congress for the violation of which no punishment is otherwise provided.

Mr. GILLETTE. Mr. President, if the Senator will yield further, let me say that it was because of the severity of the provision to which the Senator has referred that I wondered about the matter.

Mr. BROWN. Of course, the penalties for violations of price-control regulations are rather well worked out and are available under the pending joint resolution.

Mr. President, I shall conclude by saying that it is my judgment that the joint resolution would give the President substantially the authority for which he asked in his message; and if the resolution be agreed to substantially as drafted, I think it will give the administrative authorities all the legal authority which can be given them or which they desire in order to do the job as they want to do it.

I conclude with a word of caution to the effect that this is not a matter in which legal authority can do anything more than assist in solving the tremendous problem of the rising costs of living.

Mr. DAVIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BUNKER in the chair). Does the Senator from Michigan yield to the Senator from Pennsylvania?

Mr. BROWN. I yield.

Mr. DAVIS. I was out of the Chamber for a part of the time during which the able Senator was presenting his statement on the joint resolution. I should like to ask him whether there is to be a ceiling on the prices of all commodities, on farm prices, and on wages and salaries.

Mr. BROWN. Yes; the joint resolution very generally would stabilize prices and wages as they existed on September 15, 1942, with authority in the President of the United States to correct "gross inequities," as we say—glaring injustices in either prices or wages—and with power, where it is necessary to the effective prosecution of the war, to let both wages and prices go up.

Mr. DAVIS. I should like to have the opinion of the Senator regarding the use of the words "gross inequities."

Mr. BROWN. We strove to find a phrase which would enable the President to stick as closely as reasonably possible to the level of September 15, 1942. We wanted to confine him to allowing increases or decreases only in those cases in which great injustice would otherwise be done. I shall give the Senator one example which we had in mind, an example which I previously gave to the Senate: Let us suppose that a contract between an employer and his employees had been made in 1939 to cover a 4-year period, and that despite the rise in the cost of living the laboring people have stood by their contract and have continued to work at the wage level as of 1939. In that kind of a case, if that contract extended over September 15, 1942, we think that the President should have the right to correct that inequity, because those wage workers are entitled to higher wages. They based their wages on the 1939 cost of living, and they are entitled to base their wages on the cost of living as of September 15, 1942.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. LANGER. What the Senator has said is true insofar as organized labor is concerned; but what about unorganized labor?

Mr. BROWN. The President would have the same power to take care of unorganized labor. The committee hearings and the committee reports very clearly set forth that point. Let me say to the Senator that in the case of the vast number of people whose wages lag behind, let us say, the Little Steel formula, they will have the right to ask that their wages be brought up to that general level.

Mr. LANGER. Let us take for example a man who works in the dairy of a North Dakota farmer or a man who works in the harvest field. Is it the purpose to let the President raise his wages also?

Mr. BROWN. Yes; I take it that we shall quite fully discuss that point when the amendment offered by the Senator from Oklahoma is under consideration. We hope that Congress will adopt the plan that the President shall, in fixing the prices of farm products, take into consideration the increased cost of farm labor to the farmer, and that he shall establish his ceilings upon farm labor so as to prevent any gross inequity from being done to the farmer.

Mr. LANGER. What about farm machinery?

Mr. BROWN. We did not cover that subject. I presume that the phrase "other costs," which is contained in what I call the O'Mahoney amendment, would cover the matter of farm machinery. We say, "farm labor and other costs." The President is directed and authorized to take those matters into consideration.

I do not want to argue that question now, because undoubtedly my good friend the senior Senator from South Carolina and his committee will bring before the Senate an issue of that kind, and at that time we shall go more fully into the matter.

Mr. JOHNSON of California. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. JOHNSON of California. What does the Senator mean by the term "gross inequities"?

Mr. BROWN. I explained that to the Senator from Pennsylvania by saying that I should say a gross inequity existed when a wage agreement had been made some 3 or 4 years ago and had been adhered to by labor and management, although the cost of living had increased during the intervening period, as we well know it has. Under such circumstances the wage earners should not be held to the 1939 level of their wages.

Mr. JOHNSON of California. I can readily understand that, and the justice of it appeals to me. However, what is the Senator's plan with respect to the farmer?

Mr. BROWN. Let me say—and I know that my friend the senior Senator from South Carolina will point this out—that if the farmer is faced with a large increase in the cost of farm labor to him, I think the President in fixing agricultural prices must take into consideration such an increase. I think the President must do so first, because it is just, for

otherwise it would be grossly inequitable—and we provide for that in the O'Mahoney amendment—and, second, because it is essential to the production of agricultural products, and, of course, their production is most essential to the successful prosecution of the war. I think that is the kind of inequity which would give the President the right to let farm prices go up in that instance, and I think he would be required to let them go up in that instance. I know that my good friend the senior Senator from South Carolina will say, "Well, we would be satisfied if we were administering it, but we shall not be satisfied if the President is administering it."

Mr. SMITH. Mr. President, if the Senator will yield, since I have been referred to, let me say that I think it is the duty of Congress definitely to state limitations, and not to leave the matter to the discretion and judgment of outside sources.

Mr. BROWN. I know that is the view of the Senator. However, I believe we have established fairly good guideposts in the pending measure.

Mr. JOHNSON of California. Mr. President, will the Senator yield further?

Mr. BROWN. I yield.

Mr. JOHNSON of California. Does the Senator think he provides a guidepost regarding the interpretation of the phrase "gross inequities" when he leaves the determination of the matter solely to the discretion of one man?

Mr. BROWN. I find it difficult to answer that question. The President is the only man to whom we can leave it. Certainly we cannot sit here as a court or an administrative body and let wages and prices go up or down; and certainly I think it would be illogical to write a further, definite, inflexible, unmovable rule.

Mr. JOHNSON of California. That may be.

Mr. BROWN. I think we must leave it to the President and to those to whom he may delegate it.

Mr. JOHNSON of California. The Senator proposes to leave it to the Administrator, as he says. The Administrator would have the unfettered discretion to do as he might see fit.

Mr. BROWN. I do not agree with the Senator.

Mr. JOHNSON of California. Why not?

Mr. BROWN. Because the Administrator would be required to maintain farm prices as of their level of September 15, 1942, or the highest point which they reached from January 1, 1942, to September 15, 1942—which is a little helpful to cotton, let me say, and was put in, in part, for that reason. That is the Administrator's general standard. If he finds that in order effectively to prosecute the war it is necessary to let farm prices go up, or if he finds that the farm-labor problem, which is a tremendous problem, and I admit that, or other farm costs make it impossible for the farmer to produce his goods at a reasonable margin of profit, then, in my judgment, he is not merely authorized but is required to take that additional cost into consideration.

Mr. JOHNSON of California. The language is transformed so as to provide a distinct requirement, when there is no such requirement in it. Is not that true?

Mr. BROWN. I do not like to argue the question on the assumption that the President is going to be unfair.

Mr. JOHNSON of California. Oh, no; there is no use of the Senator's and my arguing, because he has talked for a long time today, and, doubtless, he is tired and weary of the whole subject.

Mr. BROWN. No. I always enjoy any ideas the Senator from California presents.

Mr. JOHNSON of California. I have no ideas on the subject, but this language certainly is peculiar. It is such as would leave it in one man's hands to determine what is meant by the requirement.

Mr. BROWN. The joint resolution reads:

That modifications shall be made in maximum prices established for any agricultural commodity \* \* \* in any case in which it appears that "such modification is necessary to increase the production of such commodity for war purposes, or in which it is satisfactorily shown that by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities."

The President is authorized to make such modifications. In such a case, if the facts are presented to a responsible Government official and, if in his judgment those facts exist, then he has no discretion. He has discretion to determine whether the facts exist.

Mr. JOHNSON of California. But the proposed law gives him discretion in the first instance.

Mr. BROWN. No; the Senator is wrong about that. If the facts exist then he shall make the modification.

Mr. JOHNSON of California. But he is to determine.

Mr. BROWN. I do not know how we could operate a democracy in any other way.

Mr. JOHNSON of California. We could certainly operate a democracy in some other way than to permit one man to determine questions of great importance to a large section of the community.

Mr. BROWN. I think it is utterly impossible for Congress to lay down any other rule.

Mr. JOHNSON of California. I am not speaking of Congress for the moment, but it must be possible to prescribe some rule of action which may be fulfilled, and that such rule of action, when it is fulfilled, will constitute a standard and guide. To say that one man shall determine the question involved, that he shall determine whether inequity exists, and the like, puts everything in the hands of one man.

Mr. BROWN. How would my friend from California do it?

Mr. JOHNSON of California. I do not know; I am not pretending to say how I would do it. I would do it in a way different; there is no doubt about that.

Mr. BROWN. I do not doubt the Senator's statement.

I have asked the same question several times in the Banking and Currency Committee of some who took the view of the Senator from California, and, while the junior Senator from Connecticut [Mr. DANAHY] has an amendment he intends to offer, this is the best thought that comes from a great majority on both sides in the Banking and Currency Committee, Republicans and Democrats, majority and minority alike, upon the subject matter.

Mr. JOHNSON of California. It seems to me the question might just as well be left in abeyance as to say that when the President thinks a gross inequity will result he may do as he sees fit.

Mr. BROWN. No; I think the term provides a sufficiently definite standard.

Mr. JOHNSON of California. He may go in such direction as he sees fit.

Mr. BROWN. That is all I have to say upon the subject.

Mr. JOHNSON of California. I beg the Senator's pardon for bothering him.

Mr. BROWN. The Senator has not bothered me at all.

Mr. JOHNSON of California. But this particular language in this portion of the joint resolution struck me as being so peculiar that I could not follow it; that is all.

Mr. THOMAS of Oklahoma. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma?

Mr. BROWN. I yield.

Mr. THOMAS of Oklahoma. Before the Senator from Michigan takes his seat, let me say that I have offered an amendment to the paragraph on page 4, at the end of line 13. I have an engagement of several days' standing which I must fill immediately. I do not expect to be absent from the Senate Chamber more than perhaps an hour or an hour and a half. I do not wish to be precluded from offering my amendment, so I ask the Senator from Michigan, in charge of the bill, if it will be agreeable to consider the other amendments first and then let my amendment wait until later, so that I will be sure to be present?

Mr. BROWN. The Senator's amendment has to do with his farm-labor parity amendment?

Mr. THOMAS of Oklahoma. Yes.

Mr. BROWN. So far as the Senator in charge of the bill is concerned, that is satisfactory to him.

The PRESIDING OFFICER. The Chair will state that an order has already been entered that committee amendments shall first be considered.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BROWN. I yield to the Senator from North Dakota.

Mr. LANGER. The President must have figured out some way to carry out this act if it is passed. Is not that correct?

Mr. BROWN. Yes.

Mr. LANGER. I have offered an amendment asking that the President transmit to this body a statement showing the method he will follow in fixing



wages, salaries, and prices. Is there any objection to having such information sent in before the 1st of October?

Mr. BROWN. I am afraid, I will say to the Senator from North Dakota, that would be a very difficult way of legislating, to ask the President what he is going to do under certain powers granted him before he takes action. I do not think I could agree to such an amendment. I am sorry; but very definite guideposts are laid down in the joint resolution and limitations beyond which and below which the President may not go. I think that is the best we can do under the circumstances.

Mr. LANGER. Is it not true that under this joint resolution the President can have one board, for example, having to do with wages and another board having to do with prices?

Mr. BROWN. Yes; he could.

Mr. LANGER. Why should not the same board handle all such questions?

Mr. BROWN. That would require a new administrative set-up. The power is lodged in the President and undoubtedly would have to be cleared through his office. I should not want to attempt by legislation to create an over-all board.

The PRESIDING OFFICER. The clerk will state the first amendment reported by the committee.

The first amendment reported by the Committee on Banking and Currency was, on page 1, line 4, after the word "directed", to strike out "to stabilize" and insert "on or before November 1, 1942, to issue a general order stabilizing."

Mr. O'DANIEL. Mr. President, during June, July, and August of this year I traveled over the great State of Texas, visiting hundreds of towns and cities and visiting in the rural districts. I spoke to about 800,000 people personally, in addition to other thousands on the radio. I found that the thing uppermost in the minds of all classes was the winning of this terrible war. I found almost everybody back of the war effort to the last dollar, and the last man. I found amazement and downright resentment relative to the confusion and muddling of important domestic problems by some of our numerous Washington bureaucrats.

In addition to war worries, their next big worry is the fear of losing our American form of representative democracy. Recent events have increased their fears along this line.

I want to state plainly that it is my opinion that any basic change in our form of government should be accomplished only by the action of the majority of our citizens. Until such action by the people has been taken, I intend to continue to discharge my duties as a United States Senator in strict accordance with our Constitution. It may be that I do not have in my possession a late, revised copy of the Constitution of the United States, but, according to the copy which I do have, the authority to make laws still rests in the hands of the legislative department of government and not in the executive department of government.

I reiterate what I have often said before, Mr. President, that in the case of war measures I intend to support our President 100 percent, whether I think he

is right, or whether I think he is wrong, because the sovereign voters of our Nation elected him as our Commander in Chief and all the duties and responsibilities of that office rest exclusively upon his shoulders; but when it comes to domestic matters I intend to contend for what I believe to be right and for the best interest of our people. On both war measures and domestic measures I intend to uphold and defend the Constitution of the United States of America.

There may be cases where a fine line separates war measures from domestic measures. Some purely domestic measures may have some bearing on the conduct of the war. In fact, almost everything we now do has some bearing on the war, but that does not necessarily mean that every piece of legislation is a war measure. We still have before us for consideration the broad subject of price control. Price control bears some relation to the war, but I do not consider it exclusively a war measure. We could fight a foreign enemy whether we had price control or not.

When the question of price control legislation first came before the Senate, I expressed the opinion that I doubted the advisability of attempting to prevent inflation and maintain a fair level of prices by the method then proposed in the price control bill. I stated at that time that I would oppose the price-control bill unless provision were made to take out of the bill some features which it then contained, which, in my judgment, I believe to be absolutely unfair to the great agricultural classes of this Nation. I then expressed the opinion that if we undertook to control prices by vesting the power in some governmental bureau, we had as well recognize that before the thing was over, it would be necessary not only to control the prices of a few things, as then proposed, but to control the price of everything. I expressed the opinion then that to inaugurate a system of controlling prices through orders issued by some Government bureau would result in building one of the largest departments the Government had ever had, and that this department would absolutely hold the power of life and death over all American business.

Incidentally, it also has its political implications and dangers.

I expressed the opinion that if, instead of attempting to control prices by bureaucratic board orders, we would proceed to pass an adequate tax bill and allow the Government to recapture all excess earnings of corporations and all excess earnings of individuals, we need not have any grave fears, at least for the immediate future, insofar as inflation was concerned. But the Congress decided to proceed with the consideration of the price control bill, and I joined with others in an effort to so amend the bill as to take out of it some phases which I deemed most unfair to agriculture, and when this was accomplished, I voted for the price-control bill.

Another reason why I hesitated in the beginning to give my approval to the general idea of controlling prices by Government order was that I thought I realized then the vast undertaking which we had ahead of us if we sought to pro-

ceed along this route, and I also thought I knew something about the tremendous hazards which come to all lines of business and industry, including agriculture, when there is vested in one governmental agency the power to do all these things.

We today face the situation of Congress having been told by the President that it is absolutely necessary to immediately establish control over all agricultural prices in order that a period of ruinous inflation may be avoided. I am in full agreement with the idea that whenever the Government sets out on the task of controlling prices by Government order, it inevitably reaches the place where it must control all prices of both goods and services, and it must at the same time control the price of all labor that goes into these goods and services.

We are now told that the prices of all goods and services must be stabilized. We are told that a ceiling must be fixed on the prices of all agricultural commodities. It seems to me, however, simple justice requires that in any effort to stabilize prices the farmers, the cattle raisers, the sheep and goat raisers, the dairymen, poultry raisers, and those who produce fruits and vegetables, should be given a fair deal.

It seems to me that if our Government is to engage in picking out certain segments of our population and become the guardian of their personal welfare, it should, as time goes on, extend the service, with the idea in mind of eventually becoming the paternal guardian of the personal welfare of each and every segment of our population. Of course, such a policy pursued to its fullest extent would mean state socialism, and pursued only partially would mean class favoritism. I am opposed to such a course, followed either partially or fully. Nevertheless, we have already embarked on such a course. The question before us now is whether we shall expand our activities along this line. Let us see what has already happened.

All Senators are familiar with the fact that there has been set up by Executive order the War Labor Board, and I am sure they are reasonably familiar with most of the decisions which this Board has rendered. One thing stands out in the decision of this Board on the question of wages; that is, generally the stabilization process, when worked out according to their formula, has been, in many cases—in fact, in most cases—a process of wage increases. It is true that in a number of cases wage increases have been denied, or possibly better described as postponed, but in most cases they have been granted. It seems that they have adopted a somewhat general policy, first, of equalizing wages as between wage earners in different industries; second, of giving wage increases of about 15 percent, on the theory that the cost of living has advanced approximately that amount.

If we have adopted this policy toward wage earners, why not consider adopting the same policy toward farmers, inasmuch as they are in fact also wage earners? If we apply this theory to agriculture, then I think we must reach the basic conclusion that before we at-

tempt by law to stabilize agricultural prices we must first equalize the earnings of those who are engaged in farming, livestock raising, and other agricultural pursuits with the earnings of other groups of our citizens who are engaged in other lines of business and industry.

Right here let us consider the relative position of farmers as compared to non-farmers. In giving this farm matter consideration, let us eliminate from the discussion the deceptive and misleading words "parity prices." I say "deceptive" and "misleading" advisedly, because the average citizen listening to a discussion of farm prices would naturally construe the phrase "100 percent parity price" to mean a fair price and would construe "110 percent parity price" to be excessive. The real fact is that if farmers receive "100 percent parity prices" their per capita income is approximately only 26 percent of the per capita income of non-farmers.

According to the United States Department of Agriculture, Bureau of Agricultural Economics, as published in July 1941, the per capita income of our farm and ranch population was \$183. This included all cash income, including Government payments. It made allowances for the value of the homes used by the farmers. It even charged the farmers with the value of that part of their own crops which they consumed. For the same period the per capita income of our nonfarm population was \$700. That means that the per capita income of farmers is approximately 26 percent of the per capita income of nonfarmers.

Surely, Mr. President, very few people would be so unreasonable as to contend that the prices of farm and ranch products should be frozen at a level which would sentence that important segment of our population to a life of drudgery from 10 to 12 hours per day at only approximately 26 percent of the per capita income of our nonfarm population. One hundred percent parity prices mean substantially such a sentence. Not only has our farm population been reduced to penonage existence, but, Mr. President, statistics published by the United States Department of Commerce show that during the past 20 years the equity owned by our farm population in their farms, ranches, stock, and equipment, has been reduced from \$68,000,000,000 to \$33,000,000,000. Thus we have the double ghastly calamity of seeing our farm population receive only approximately 26 percent of the per capita income of our nonfarm population, but at the same time we see these farmers lose more than half the capital, or equity, they held 20 years ago.

Mr. President, in my opinion this farm situation presents a most serious and alarming problem. Perhaps we will learn, all too late, that instead of Congress now considering ceilings for farm and ranch products, we should be adopting means of averting a serious food shortage. Texas is the largest agricultural State in this Nation, and conditions there are grave and serious indeed. We also have large ranches capable of producing livestock. We hear a great deal of talk about the tremendous increase in the price of livestock, but the figures

of the United States Government itself show that the value of all farm animals on the farms of this Nation in 1941 was \$3,000,000,000 less than the value 20 years ago. With farming and ranching in this impoverished condition, and the per capita income of farmers approximately only 26 percent of the income of non-farmers, we are now giving consideration to freezing this disparity permanently.

If we consult any available statistics we find virtually the same glaring differences between farm workers and factory workers. I hasten to say, Mr. President, that I am not complaining that factory wages are too high. I am merely drawing comparisons to show the deplorable wages being received by our farm population.

A few days ago I was reading a bulletin entitled "Three Decades of Farm Labor," issued by the Bureau of Labor Statistics, and it contains this rather startling statement:

The equity which farmers own in lands which they cultivate has gradually, year by year, been decreasing until today they have an equity of less than 40 percent in these farms.

It also carries the statement that in 1938 the average annual wage of farm workers was only 27 percent of the average wage of factory workers. According to figures of the United States Department of Labor in July 1941, the average wage paid to farm laborers per month was \$45. This wage, on the average, has increased some since that time. If we take all manufacturing industries, both the high wage and the low wage industries, and average them, we find, according to figures given in the Monthly Labor Review of August 1942, that the average earnings in all manufacturing plants was \$144 a month. In other words, it was three times the earnings of a man working on the farm.

The recent Handbook of Labor Statistics issued by the Department of Labor shows that a study of 117 occupational groups of employees employed by the Federal Government indicates that they earn an average of \$156 a month—almost four times the average earnings of the man employed on the farm. Look where we will, make any comparison we desire, we reach an inescapable conclusion, that those employed on the farms, ranches, and dairies of this Nation, even with the increased prices they are now receiving for what they produce, are still living on a starvation income.

As I have already stated, since we have started out on the plan of regulating by law the prices of commodities, I realize, of course, that it is inevitable that we must regulate the prices of all commodities, of all services, and all earnings, and since that division of the Government which thus far has been entrusted primarily with responsibility for the question of wages—the War Labor Board—has laid down as one of the basic principles upon which it operates, an equalization of earnings within industries and a recognition of the factor of the cost of living in determining wages, it seems to me we must in simple justice, in considering any legislation designed to stabilize farm prices, take into consideration the present

per capita earnings of those of our citizens who live on the farms.

I think it is essential that we do this to secure justice to this group of our citizens, and if we fail to do it, the ranks of those now engaged within the field of agriculture will constantly be depleted by a drift of all available farm labor, both old and young, male and female, to other industries with the ultimate result that we may face not a local but a general shortage of all the products of agriculture and livestock raising throughout the Nation, which means that we may face a shortage of something to eat and something to wear.

If the war is to be fought to a successful conclusion, certainly it is imperative that we maintain at a high standard the ability of those who are engaged in the livestock industry, the dairy industry, and general farming to produce for the Nation and our Allies those things which we must have. The State of Texas produces more wool than any other State in the Union; and we produce more mohair than all the other States in the Union. Texas is one of the large producers of beef cattle. We are developing large dairy herds, and at the request of the Government we are increasing the production of hogs. We are producing a large portion of the citrus fruits grown in this Nation. We produce large quantities of vegetables which are canned and shipped out of the State. Therefore, Texas has a broad, general interest in every phase of this great agricultural situation. But the citizens of Texas do not desire to be rated as a favored class, neither do they desire to be rated as a class to be discriminated against.

By what system of reasoning do we arrive at the conclusion that the Federal Government should pass a law and set up the National Labor Relations Board, as it did long before the war started, and use this Board, as it has, primarily for the purpose of furthering the unionization of industry on the theory that this would be beneficial to the employee, and then pass a wage-and-hour law designed, as the law states, to raise and equalize the standard of living in all industries, and then in the war emergency appoint a War Labor Board which has assumed the authority to direct industry to increase wages on the theory that it was necessary to equalize earning power?

I say, by what theory can we do all these things and then deny that this same Government of ours has the responsibility to equalize the earnings of those engaged in various fields of agriculture with those engaged in other lines of work? By what theory can we arrive at the conclusion that the average employee in the factory should earn \$144 per month for working about 8 hours a day and that the average man employed on the farm should earn \$45 per month for working 10 or 12 hours a day? Regardless of how we compare earnings, whether it be to compare the earnings of the owners and operators of farms or to compare the earnings of day labor or of monthly labor employed in agriculture with earnings of persons employed in other lines of work, this great discrepancy in earning power still exists. To my mind, one of the



greatest problems which faces the Nation today is the problem of putting agriculture on a fair basis of earning power with other lines of business and industry. It serves no purpose to talk about how much the earning power of agriculture has increased due to the increase of prices of farm commodities, because even with this increase the average worker on the farm today, or the average owner of the farm today, is earning approximately 26 percent of what is earned by similar effort in other lines of endeavor.

It may be contended that this is no time to undertake to equalize and to increase the earning power of our citizens. It may be argued that we have the one big job which is paramount to everything else, and that is to win the war. It may be argued that this is no time for social reform. With all these suggestions I have a somewhat sympathetic interest, but I want to see some of the social reforms, and some of the equalization schemes, and some of the other things designed to increase the earnings of all the highly organized and highly unionized groups in this Nation stopped before we put a lid on agriculture when it is as far down the scale as it is now. Simple justice demands that the first thing we do is to equalize agriculture with other industries and then stabilize it. If the general economic conditions will not permit this to be done 100 percent, then we should go as far as sound business judgment dictates toward accomplishing this purpose, and certainly we should call a halt, and we should do it now, to the constant increase in the flow of income to all the other classes of our citizens and then hope to prevent inflation by placing an absolute lid on the price of all farm commodities.

Again I wish to emphasize this fact: It is true the gross income of the farms and ranches has gone up during the last 2 years; it is also true that there has been some small increase in the net income of this group; but the big question is not how much the increase has been; the big question is, Where is farm income now? Even with these increases, where does agriculture stand? That is something we cannot forget.

There is another thing which we must remember. After the thousands upon thousands of young men have been called into the Army from the farms, if these farms and ranches are to continue to operate at full capacity, these young men must be replaced in most cases by hiring older men, and as the owners of the farms and ranches seek to hire older men, they find themselves in competition with all lines of industry which are constantly bidding up the price of labor. If we do not leave a fair margin of profit to those who are producing the hogs, those who are operating the dairies of this country, those who are growing the sheep, those who are producing grain and cotton, it will simply be impossible for them to carry on and produce not only what the Nation must have but what the world must have in the way of food and clothing.

When we talk about the prices of farm products being on a basis of parity or

above parity, the question naturally arises, Parity with what? And the answer is, it is parity with a previous starvation period of agriculture as compared with other industries. It is true that to say that agriculture should be allowed to earn on a basis comparable with what it earned from 1909 to 1914 is better than to say that agriculture should earn on a basis comparable with what it earned in 1933 at the bottom of the depression, but the earning of agriculture during the time parity prices were being established was then far below what it should have been as a matter of equity and justice as compared with other lines of business and industry, and it still remains far below what it should be.

If the Government should take the position that it is not the responsibility of Government in any case to look after the individual earning capacity of its citizens, or in any case to equalize these matters, then it might remain consistent and say that it is not the responsibility of Government to bring the earnings of citizens engaged in agriculture up to the standard of earnings of citizens engaged in other lines of endeavor. But, if I am correctly informed, our Government during recent years has most definitely assumed that it was the responsibility of Government to serve as an equalization agency between different groups of wage earners throughout the Nation, and that it was the responsibility of Government to increase wages and earnings where they were subnormal, and unless the Government is now ready to abandon this philosophy, then I think it should be consistent and apply it toward agriculture.

When we consider the figures which I mentioned some moments ago, with reference to the farmer's income, we must remember that in order to produce this meager income he must have some investment. If he owns the farm, he has an investment in the buildings and improvements on the farm; if he does not own the farm, he at least has an investment in the equipment and other facilities necessary to carry on production. Certainly his income for similar effort should be equal to the income of a laborer in the manufacturing industry who has no investment whatever.

There is another phase of this question of fixing prices on agricultural products which I should like to discuss very briefly. It seems to me reasonable to say that, regardless of how desirable an objective may be, before it is undertaken to accomplish it by law, it must be certain that it is possible to attain the objective by this method. I have talked with a great many cattle raisers and they point out to me the fact that if the Government undertakes to fix the ceiling prices on pork, mutton, and beef, unless it puts a floor under the prices of hogs, lambs, and cattle and requires the buyers to pay at least a minimum, the result will be that whatever price is fixed as a ceiling will be passed back to the farmer, with the result that probably the price of beef or pork or of other such commodities may go down to the consumer, but the producer will be required to carry all

the cost of distribution, and I think inevitably this is true.

In other words, I think if it is desired to protect producers, some way must be found to guarantee that each pound of livestock sold on the market will bring at least a specified price. The same producers also point out to me that when we consider the fact that all types of livestock are sold in so many different grades and that the human equation enters so largely into the determination of the grade in which a certain load of beef cattle or hogs belongs, it would be almost impossible to enforce any minimum price for every grade of livestock which is to be sold. Without such minimums being established, of course, the buyer would have the option of forcing all livestock sold down to the lowest minimum.

Those engaged in the packing industry have explained to me many of the problems which they would face if an attempt were made by law to put a ceiling price on all the various types and cuts of beef which are sold. If we concede that the fixing of prices on all livestock and dairy products is desirable, there is grave doubt in my mind that it is administratively possible to accomplish the purpose without serious injustice to somebody somewhere down the line. That somebody will likely be the producer. With world conditions such as they are today, we cannot afford to experiment very much with such a vital matter as the production of food.

Coming, as I do, from one of the great agricultural States of this Nation, where a large portion of our people are engaged in this industry, I feel that I have the responsibility, as their representative in the United States Senate, to place before the United States Senate these facts, because they affect vitally my own people, and they affect vitally the interest and welfare of the whole Nation and the whole war effort. An impoverished agriculture cannot do its part toward winning the war. So far as I am concerned, I am willing to go along and aid in working out any reasonable plan which is fair and honest to the great agricultural interests of this Nation and offers equity and justice to all our citizens.

There is no group of people in Texas, regardless of whether they be farmers, merchants, manufacturers, or industrialists, who want any special favors shown to them by the Government in this great world crisis; and I think it is unfair in the extreme to say, or to insinuate, that the great agricultural classes of this Nation, in Texas or in any other State, are seeking to profiteer out of the war. Year by year, the great agricultural industry of the United States has not only spent all of its income, but for the past 20 years it has been progressively spending its capital to the extent that it has reduced its capital from \$68,000,000,000 20 years ago to \$33,000,000,000 now. Today the farmers throughout the Nation are not only feeding our own people but the world, and they are doing it for an income and a compensation of approximately 26 percent of the per capita income of our nonfarmers. When it is

said, or insinuated, that there is a tinge of profiteering in it, a rank injustice is done to this great class of our people.

As I stated a moment ago, it may be that in the grave crisis which the Nation faces we are not now able to correct all the injustices which our economic system has forced upon the farmers, but there is at least one thing we can do, and that is to see that we at least head in the right direction and do not go backward. If we are to have a ceiling price placed on everything the farmer has to sell, then so far as I am concerned, I insist that we accomplish this purpose by specific law, and not by some loosely worded piece of general legislation which delegates to some other agency of government the authority to solve the problem. If the Congress of the United States decides that this job shall be done, then let us write a law which will do it, and not simply pass the buck by delegating to somebody else the authority to do it.

Let us at the same time write into the same law legislation which will be just as definite and just as specific to control wages and earnings in all lines of industry. I am opposed to making the farmers of this country guinea pigs to be used in experimentation by theoretical bureaucrats, whose number is constantly increasing.

Let me close with this statement: The question is not how much the income of agriculture has increased. The question is, How do the earnings of the great farming and ranching class of our people today compare with the earnings of other people who render similar service? From this standpoint the current facts drive us to the inevitable conclusion that even with today's agricultural prices the great farming and ranching class of this Nation has an earning standard of only approximately 26 percent of that of those engaged in other lines of industry.

The second important fact which I think we should remember is that if we have a responsibility in this matter to set a ceiling on the price of all farm commodities, then we must so accomplish it that at the same time we set the ceiling we will also set a floor, so that all the expense of holding down farm prices will not be rolled back on the farmers. The third thing which I think is important is this: Whatever we do, we should do it by law, specifically and definitely, and not by delegating the job to some Government bureau to do for us.

Fourth, at the same time we put a ceiling by law on the cost of living, we must in the same law put a ceiling on wages, and not leave that matter in the hands of a partisan board which probably will be dominated by highly organized groups of labor. If we are to regulate prices of farm commodities by law, then let us regulate wages by law, and not merely delegate the power to somebody else to regulate wages.

I do not believe that any State in the Union, or any class of citizens in the Union, has a monopoly on patriotism. I believe that the willingness to fight for this country and, if necessary, to die for it, is an inherent trait of almost all our people everywhere. I do not believe that

the great rank and file of labor in this Nation want to profiteer. I do not believe the great rank and file of employers of this Nation want to profiteer. I do not believe that the great rank and file of the farmers of this Nation want to profiteer. I believe that all classes and groups of our people stand ready to make any sacrifice which is necessary to carry this war through to a successful conclusion; but while I believe this is true, I also believe that it is the responsibility of the Congress of the United States to see that no law is passed which will require an unfair sacrifice to be made by our farm and ranch population, or any other particular class or group of our people.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment, on page 1, beginning in line 4.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

The next amendment was, on page 1, line 6, after the word "wages", to strike out "salaries, and other factors" and insert "and salaries."

Mr. AIKEN. Mr. President, if we are to vote on the amendments, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Glass	O'Daniel
Andrews	Green	O'Mahoney
Austin	Guffey	Overton
Bailey	Gurney	Pepper
Ball	Hatch	Radcliffe
Bankhead	Hayden	Reed
Barkley	Herring	Reynolds
Blibo	Hill	Russell
Brewster	Holman	Schwartz
Bridges	Johnson, Calif.	Shipstead
Brooks	Johnson, Colo.	Smathers
Brown	Kilgore	Smith
Bunker	La Follette	Spencer
Burton	Langer	Taft
Butler	Lee	Thomas, Idaho
Byrd	Lodge	Thomas, Okla.
Capper	Lucas	Thomas, Utah
Caraway	McCarran	Truman
Chandler	McFarland	Tunnell
Clark, Idaho	McKellar	Tydings
Clark, Mo.	McNary	Vandenberg
Connally	Maloney	Van Nuys
Danaher	Maybank	Wagner
Davis	Mead	Wallgren
Downey	Murdoch	Walsh
George	Murray	White
Gerry	Norris	Wiley
Gillette	Nye	Willis

The PRESIDING OFFICER. Eighty-four Senators having answered to their names, a quorum is present.

Mr. OVERTON. The pending amendment is, on page 1, line 6, after the word "wages", to strike out "salaries, and other factors" and insert "and salaries"; is that correct?

The PRESIDING OFFICER. Yes.

Mr. OVERTON. Mr. President, this is the first occasion in which the word "salaries" is used in the measure; and I desire to talk for a few minutes regarding salaries. Of course, in my opinion it is very proper and very wise to undertake to stabilize prices and to undertake to stabilize wages; and the purpose of the joint resolution is so to stabilize prices and wages that, so far as practicable, the stabilization shall be on the

basis of levels which existed on September 15 of this year. I see no particular objection to that; in fact I am in favor of it.

Then the joint resolution proceeds with reference to prices and wages to provide specifically that there can be no lowering of prices and wages below the highest paid during the present year—that is, from January 1 to September 15. There is no objection to that.

However, when we go further than that, and when the Congress undertakes to deal with salaries, and when it gives to the President the injunction that, regardless of the amounts of the salaries which are paid, salaries shall be so stabilized that they shall not be reduced below the highest paid during the present year, I think we are undertaking legislation which is unwise, unsound, and impracticable.

I have before me a report made as of September 17, 1942, by the Secretary of the Treasury in connection with salaries paid by corporations to their employees during the last fiscal year. The report deals with salaries of \$75,000 and over. It shows the payment by corporations to their employees of salaries ranging from \$75,000 per annum to over \$700,000 per annum. When I say "salaries" I include bonuses—the total compensation for personal services ranging from \$75,000 to over \$700,000.

Mr. President, I do not think we should declare as one of the purposes of the joint resolution that there shall be no reduction of such stupendous salaries or of any salary which rises above a wage level unless the President were to determine that a case of gross inequity exists; for in the pending measure the only exception to the mandate of Congress to the President with reference to salaries is that there can be no modification or lowering of salaries as of September 15, or the highest paid from January 1 up to September 15 of this year, except to the extent that the President may find such action necessary in order to correct some gross inequity.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. McKELLAR. I merely desired to ask how many salaries the Secretary of the Treasury reported as being between \$75,000 and \$700,000.

Mr. OVERTON. I have not counted them. Of course, the report deals only with salaries paid by corporations to employees; but there are some 47 pages of closely typewritten matter dealing with such salaries; so, of course, the total number is up into the hundreds.

However, over and above that, there are the \$50,000 salaries, the \$40,000 salaries, the \$25,000 salaries, and the \$10,000 salaries; and I shall go further than that, down to the \$5,000 salaries.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. HATCH. I am very much interested in what the Senator is saying; because I very well recall that on various occasions the President of the United States has stated his position to be that no salaries shall exceed \$25,000. Does



the Senator say that the pending measure now authorizes the payment of a salary of \$75,000 to an individual, and that the President could not decrease such a salary?

Mr. OVERTON. Unless some gross inequity were to exist.

Now I shall read what the joint resolution has to say with reference to salaries.

Mr. VANDENBERG. Mr. President, before the Senator does that, will he yield to me so that I may comment on the Treasury report?

Mr. OVERTON. Very well; I yield.

Mr. VANDENBERG. While I entirely agree with what the Senator has said about such altitudinous salaries, I think it is a little unfortunate that such information goes out to the people of the country; because I think it is quite misleading. I am not charging the Senator with being misleading.

Mr. OVERTON. I have not given any of the details.

Mr. VANDENBERG. The figures are gross-income figures. I can assure the Senator and I can assure every one of the high-salaried drawers of the country that by the time the Senate Finance Committee gets through with the tax bill the figures which the Senator has just now read will look like the proverbial 30 cents. I think that when Government reports are made, it would be so much more informative to the country if they sometimes were made on the net basis instead of on the gross basis; because it is obvious that a statement made on the gross basis does not present the true picture.

Mr. OVERTON. The point raised by the Senator from Michigan relates to the revenue bill which is pending before the Finance Committee, of which the Senator is a very able, efficient, and effective member, and that question will arise when the revenue bill comes before the Senate for consideration.

However, the question now before us is whether we shall instruct the President of the United States that he cannot reduce any of these salaries below the level of the highest paid during this year.

Mr. VANDENBERG. Mr. President, will the Senator yield so as to permit me to make one more observation?

Mr. OVERTON. I yield.

Mr. VANDENBERG. Of course, what I said deals primarily with the tax bill; but I was trying to comment on a matter which has long lingered in my mind, and which should be discussed in connection with the Government report which the Senator is using; because I think the people receive a totally erroneous idea regarding our economic balance.

For instance, the able senior Senator from New Mexico has just referred to the suggestion which has so frequently come from the Chief Executive, that personal incomes should be limited to \$25,000. There are in this country millions of persons who think we could solve all our economic difficulties if we would just do that simple little thing. That suggestion is constantly being thrown out, and it is an allurements. However, the Treasury Department reports that if we were to confiscate every penny of every income

in the United States above \$25,000, and then if we were to apply all the proposed high tax rates to the balance, we would pay the war bill for just 4 days and 10 hours.

All I am pleading for is for information which will let the American people understand the horrible extent of the fiscal burden which exists and which they must be prepared to bear; and I think that sometimes a little franker information in Government reports would lead to a somewhat more acute understanding upon the part of the people.

Mr. OVERTON. The Senator from Michigan may be correct in that regard, but I do not like to be diverted from the purpose which I had in mind, and which we had in mind with respect to the provisions of the joint resolution relative to salaries.

Mr. VANDENBERG. I apologize to the Senator.

Mr. OVERTON. When I conclude I shall make a suggestion with respect to an amendment which I think should be offered; and let me say to the Senator that it is not to authorize and direct the President to reduce all salaries to \$25,000.

Mr. HATCH. Mr. President, I was very glad to hear the remarks of the Senator from Michigan, for I think they were very informative and will be very helpful to the country, but I was puzzled by what the Senator from Louisiana was saying. In view of the fact that the President has said that we ought to limit incomes to \$25,000, and the Senator from Louisiana is saying that we are about to freeze incomes at the highest possible figure, I merely wanted information on that subject.

Mr. BARKLEY. Mr. President, if the Senator from Louisiana will yield, in that connection the President's recommendation with respect to a \$25,000 limitation was a recommendation made in regard to the tax bill, and such a \$25,000 limitation would be after all taxes. He has not recommended that we attempt to deal with that question in the pending measure.

Mr. OVERTON. Mr. President, quoting the provisions of the joint resolution as they relate to salaries in section 1, they are:

That in order to aid in the effective prosecution of the war, the President is authorized and directed, on or before November 1, 1942, to issue a general order stabilizing prices, wages, and salaries, affecting the cost of living; and, except as otherwise provided in this joint resolution, such stabilization—

That is, the stabilization of salaries—shall, so far as practicable, be on the basis of the levels which existed on September 15, 1942.

In section 4, page 4, the joint resolution provides:

SEC. 4. No action shall be taken under authority of this joint resolution with respect to \* \* \* salaries \* \* \* (2) for the purpose of reducing the \* \* \* salaries for any particular work below the highest \* \* \* salaries paid therefor between January 1, 1942, and September 15, 1942: Provided, That the President may, without regard to the limitation contained in clause (2)—

That is the clause I have just read—adjust salaries to the extent that he finds necessary to correct gross inequities.

Section 5, on page 5, provides:

SEC. 5. (a) No employer shall pay, and no employee shall receive, \* \* \* salaries in contravention of the regulations promulgated by the President under this joint resolution.

That is the case presented by the joint resolution. The President of the United States is instructed to stabilize salaries so as not to reduce them below the highest amount being paid during the present year up to September 15, unless he finds a gross inequity to exist, and, in order to correct such gross inequity, then he may proceed to reduce salaries. There is an inhibition against any employer paying or any employee receiving a salary in contravention of the joint resolution and the orders issued by the President thereunder.

All that I suggest be done, by way of a very simple amendment, is this: In the proper place, add a new section, reading as follows:

SECTION — Nothing in this joint resolution shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

I place it at \$5,000 because I think that is above any wage scale that is paid or any annual wages received by any laborer.

Mr. BROWN. Mr. President, will the Senator from Louisiana yield to me?

Mr. OVERTON. I am very glad to yield to the Senator from Michigan.

Mr. BROWN. We discussed this matter very briefly in the Banking and Currency Committee, and I think it was generally believed by the members of the committee that the Senator from Louisiana had placed his finger on a rather vital matter. Personally, I am very much inclined to go along with the amendment. We were thinking all the time of preventing increases, and, of course, we tried, all the way through, to stabilize wages and salaries as of a definite date. While the amendment would violate that principle, we are not much concerned about arrangements made between an employer and an employee with respect to salaries above \$5,000. I am not speaking for the committee, but, speaking for myself, I am agreeable to accept the Senator's amendment.

Mr. OVERTON. That is very satisfactory, and at the proper time I shall offer the amendment. I understand it is not now in order.

Mr. BARKLEY. Mr. President, as the Senator from Louisiana offered this amendment in the committee originally, it included not only private salaries but included Government salaries. I expressed to him my opposition to any provision that puts Government employees, which would include Members of the Senate and of the House of Representatives and all others on the public pay roll, in a special sacred class, upon an island of safety, so that the President could not touch any of them. I objected to that. I have no objection to the amendment the Senator has suggested, and I under-

stand the Senator from Michigan has no objection. I think it ought to be stated, however, that there is nothing in the joint resolution that would prevent any employer from reducing a salary, whether above \$5,000 or below \$5,000.

Mr. OVERTON. I do not agree with the Senator in that regard. It could not be done; an employer could not do it, and an employee could not do it, under the express provisions of the joint resolution.

Mr. BARKLEY. The Senator is talking about increases.

Mr. OVERTON. No, I am talking about decreases; I am not talking about increases or any limitation on increases. The purpose of this bill, let me say, is to prevent inflation, to prevent excessive capacity to spend money; tremendous salaries certainly are inflationary, and my purpose is not to prevent the reduction of a salary of any employee by any employer, above the \$5,000 bracket.

Mr. BARKLEY. The Senator's amendment provides:

That nothing in this joint resolution shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

I have never construed the joint resolution in such a way as to prevent such action being taken if an employer saw fit to reduce the salary of an officer who was receiving above \$5,000. I do not, however, object to the amendment if there is any doubt about the question which is involved.

Mr. OVERTON. As I read the provisions of the joint resolution, there cannot be any reduction except in case of gross inequity.

Mr. BARKLEY. I think that after the President has issued an order stabilizing salaries and wages he may adjust them to the extent necessary to eliminate gross inequities, but I doubt very much whether the joint resolution could be construed to prevent an employer from reducing a salary from \$6,000 to \$5,000 a year if he saw fit to do so if an employee received that much.

Mr. OVERTON. If the able Senator from Kentucky is not going to object to my amendment, I shall not debate it further.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. TAFT. Of course, under the Price Control Act there is no power whatever to fix minimum prices, and I, personally, have no question that the order issued by the President under the authority of the joint resolution will not provide minimum prices. I have no doubt that he will simply say that prices shall not be increased without approval by the President; I do not think he is going to attempt to interfere with reductions; but I agree that the language is so broad in connection with stabilization that it might be done. I certainly can see no objection to the amendment offered by the Senator.

Mr. OVERTON. It not only might be done but it could be done. The joint resolution contains the direction to the

President to pursue that course and stabilize along the level of September 15.

Mr. TAFT. I have no doubt the President would construe this as requiring him to set minimum prices in a wage regulation. It seems to me he would conform to it if he simply says that no price or wage shall be increased without proper approval beyond the price or wage of a certain date. That is what I hope he will do. I think we might have well included the power to fix a minimum wage or a minimum price as we did in the Price Control Act; but since the Senator has called attention to it I see no reason why we should not say so, especially as to wages and salaries.

Mr. OVERTON. I am very glad the Senator from Ohio agrees with me.

Mr. BROWN. I ask unanimous consent that the Senate may now consider out of order and dispose of the amendment of the Senator from Louisiana while it is fresh in our minds.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

Mr. GEORGE. Mr. President, before any amendment is disposed of I desire to find out from those who drafted the bill, if they be in the Chamber, or those who are sponsoring the joint resolution, just what is meant by the section which was read by the Senator from Louisiana.

I refer to subdivision (2) of section 4:

No action shall be taken under authority of this joint resolution \* \* \* for the purpose of reducing the wages or salaries for any particular work below the highest wages or salaries paid therefor between January 1, 1942, and September 15, 1942: *Provided*, That the President may, without regard to the limitation contained in clause (2)—

Which is the one just read—

adjust wages or salaries to the extent that he finds necessary to correct gross inequities.

I should like to have some light on the language "necessary to correct gross inequities," and I should like to know what that has to do with inflation.

Mr. BROWN. We must go back to section 1 for an understanding of the provision just referred to. We desire to direct the President to stabilize wages at the level of September 15, 1942. Undoubtedly there will have to be exceptions to the general stabilization, because some wage agreements are based upon contracts made, we will say, in 1939 or 1940, and wage earners and employers have stood by those contracts. If no exception were made in the joint resolution, the agreements made some years ago, based upon the cost of living as it then was, could result in an inequitable situation. A wage agreement based upon 1939 levels would be unfair in 1942. Therefore we make this exception, and provide that where such a situation gives rise to an inequity, the President may revise his order, or provide in his order for the correction of the situation. Briefly, that is the purpose of subsection (2) of section 4, on page 5. We wanted to insist as strongly as we could upon a general stabilization as of September 15, but we certainly cannot make it so rigid that no changes could be made. Therefore, we chose this language, with the

idea that injustices could be corrected and should be corrected where it was found necessary.

Mr. GEORGE. I agree with that, Mr. President, but while I was reading from the language on page 5 simply because the distinguished Senator from Louisiana had just read it, the same language occurs in the first section of the bill. I agree that there should be stabilization of wages, salaries, and prices, and it seems to me the committee has done very well to try to bring about stabilization, so far as practicable, on the basis of levels which existed on a given date; but I do not know what some of the language means, and I am merely seeking light. The measure provides:

The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities, and, in the case of increases—

The language which I have just read clearly contemplates decreases—

and, in the case of increases, to the extent that he finds necessary to aid in the effective prosecution of the war.

Then on page 5, when the reference is again made to wages and salaries, it is very clear that it refers to decreases, and not increases. It reads:

That the President may, without regard to the limitation contained in clause (2)—

That is, the one affecting wages and salaries—

adjust wages or salaries.

The joint resolution originally read "below the wages or salaries referred to in clauses (2) and (3) of this section." That is stricken out, but the intent is clear. It provides that the President may "adjust wages or salaries to the extent that he finds necessary to correct gross inequities."

What I desire to ascertain is what is meant by "gross inequities," because in both these instances it is clearly contemplated that the President may adjust wages and salaries downward; not upward, but downward. That is an inescapable conclusion, and nothing else can be read into the joint resolution.

While I am discussing this question I should like to point out this language:

The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities.

The President is going to provide for making those adjustments through Mr. Leon Henderson; and what is Mr. Henderson's concept of "correct gross inequities" when it comes to wages and salaries, or even prices?

Mr. BROWN. I beg the Senator's pardon about the administration of the law. I am inclined to think, from my conferences, that Mr. Henderson's Office of Price Administration will handle the matter of prices, and that the War Labor Board will handle the matter of wages, although I cannot bind anyone, of course.

Mr. GEORGE. I referred to Mr. Henderson because I supposed this was in his field, and I should think the President would wish to have the Price Administrator handle the matter. What I am



seeking to ascertain is just what is meant, when the clear intent and purpose is to allow a reduction in wages and salaries below the level of September 15, 1942, when either the President or some agency finds it necessary to correct gross inequities. What kind of inequities, and just what is meant by the phrase?

Mr. BROWN. I gave the Senator from Georgia one illustration. I may say that my construction of section 1 and section 4 is not the same as his. I assume that there will first be issued a general order for the stabilization of wages as of September 15, 1942. I think the language at the top of page 2, starting with line 1, "The President may thereafter provide for making adjustments with respect to prices, wages, and salaries, to the extent that he finds necessary to correct gross inequities," contemplates that after his general order of stabilization has been made he will at once, through the proper agency, provide for the making of adjustments up or down. I do not agree with the Senator from Georgia that they may be made only downward. That was not the intention of any of us at any time. The word "adjustment" implies a leeway. The President may make the adjustments up or down. During the consideration of the entire measure by the committee, I am sure it was thought it might be necessary to let wages go up, particularly in the case of unorganized workers, who have not presented their case to the War Labor Board, and whose wages lag behind the general level of wages in the highly organized industries. We, likewise, intend that the word "adjustment" shall imply that farm prices, when necessary, may rise. So much for that.

Mr. HATCH. Mr. President, will the Senator yield there?

Mr. BROWN. Let me reach my conclusion, then I shall yield.

I may say to the Senator from Georgia that the authors of the joint resolution are now and have been in the Chamber during the debate. The measure was written by the Senators on the Committee on Banking and Currency; it was not written down town. The idea we had was that the curing of the injustices which would inevitably appear in a freezing as of September 15, 1942, was a curing which would permit rises or declines in accordance with the limitations contained in the joint resolution over or under the levels established by the President.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BARKLEY. In connection with the Senator's statement giving the Senator from Georgia an example, it was brought to the attention of the committee that there are many wage contracts which were made 2 or 2½ years ago, based upon the cost of living at that time. No request has been made by either party to change those contracts. They have gone along and worked under them, notwithstanding the 19-percent increase in the cost of living since the contracts were entered into. Those contracts will expire within a few months, and it was the thought of the committee that the employees ought not to be foreclosed, when

new contracts are entered into, from the right to ask for suitable increases based upon the increase in the cost of living since the contracts were entered into up to May 1942. Therefore I concur in the suggestion of the Senator from Michigan that the measure contemplates adjustments up as well as adjustments down.

In addition to that, it has frequently been stated on the floor of the Senate, and in committee, that there are about 50,000,000 people in this country working for wages or salaries. Only about 12,000,000 of them are organized. Outside the organizations there are vast numbers of persons, clerks in drygoods stores and grocery stores, workmen in laundries, who are unorganized and who have not received any increase at all, who have not received a 15 percent increase based upon the so-called Little Steel formula. Obviously it would be unfair to foreclose them against the right of asking for an adjustment of their wages based upon the present cost of living, as we all understand it to be. Of course, it would be unfair to all those vast numbers to preclude them from the right to ask for adjustments upward under the provisions of this measure. It would be a gross inequity, I think, to require all such persons to continue to work for the salaries or wages they received 3 years ago based upon conditions which then existed, without taking into consideration what has happened since.

Therefore I think the committee was wise in making the measure flexible, so that the President may consider gross inequities, which might require adjustments that would go up as well as adjustments that would go down.

While it is impossible to anticipate every particular instance in which the President may regard a situation as constituting a gross inequity, we must leave sufficient leeway and flexibility to him to adjust gross inequalities or inequities, whether they ought to be adjusted upward or downward.

There might be cases in which it might be desirable to adjust a wage or a price even downward, if there were a gross inequity, because of undertaking to freeze, on a given date, either prices or wages. I do not think we could give an exact definition of "gross inequity," but we have to leave it to the administrative authorities to interpret "gross inequity" in the light of conditions which may exist when they act.

Mr. HATCH. Mr. President, will the Senator from Michigan yield to me for a moment?

Mr. BROWN. Yes; I yield.

Mr. HATCH. In line with the discussion which has been proceeding with respect to gross inequities, I should like to have the Senator from Michigan explain, if he will, what that term, as used in the measure, means in connection with agricultural commodities. Some agricultural commodities are selling above parity, and, as I understand the rule laid down in the measure, first the parity price is taken and, second, the highest price up to September 15 of this year. But then it appears to me, though I am not sure that I am correct, that there is a broad general power in the President to de-

crease prices, for instance, of agricultural commodities which are now above parity, if in his opinion the prices, being above parity, constitute a gross inequity. I know what the Senator from Michigan thinks, and he is entirely fair, and I know what he wants to do, but, frankly, I wonder about this. Take the price of cattle, which is perhaps the most important industry in my State. Cattle are now selling above parity. If the President were to say, "Well, now, that is a gross inequity"—I do not know to whom that is an inequity or to what—could the President reduce that price arbitrarily to parity or even below?

Mr. BROWN. In the first place, the parity formula or limitation is not subject to the "gross inequity" provision in the measure. Parity is an absolute minimum below which the President may not go under any circumstances. I think any fair construction of section 1 of the measure—and this is in further answer to the Senator from Georgia on the wage question, as well as the Senator from New Mexico on the price question—any fair construction of the provision in section 1, as to the September 15 date, at least in the great majority of cases, is that a price in existence at that time was not a grossly inequitable price.

When we come to the highest market price limitation in section 3 of the bill, which is in respect to agricultural prices, the "gross inequity" provision relates and attaches to the limitation of the market price between January 1, 1942, and September 15, 1942. I would take it that, if prices had reached an unnatural level which was far out of line, under section 2 the "gross inequity" provision of the measure would become effective.

Mr. President, it is my judgment that the President would not find it necessary in most cases to lower the prices below the September 15, 1942, level, and we do not anticipate that he is going to lower wages below the September 15, 1942, level. That is the general standard. But when we come to these exceptions, particularly the highest market price exception, I could give the Senator from New Mexico a few examples of what seem to me to be unfair prices.

Mr. HATCH. Mr. President, will the Senator yield at that point?

Mr. BROWN. I yield.

Mr. HATCH. I am now rather thinking out loud, because this is the first time I have seen the committee print, and I have not had an opportunity to study it. I find on page 3, at the bottom of the page, relating to agricultural prices, the proviso:

That the President may without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

Mr. BROWN. That is the market level of January 1 to September 15.

Mr. HATCH. Then further there is another provision which says:

That modifications shall be made in maximum prices established for any agricultural commodity—

And so forth. I am skipping quite a bit.

That by reason of increased labor or other costs to the producers of such agricultural commodity, the maximum prices so established will result in gross inequities.

There is nothing said about minimum prices. It is always about maximum prices. It seems to me to imply—and, as I said, I am thinking out loud—that someone has the idea that prices are too high, and that they should be lowered.

Mr. BROWN. Of course, the idea of using the phrase "maximum prices" grows out of the manner in which the ceilings are established. We say that prices may not go above a certain maximum. That was the phrase which we worked out on the floor of the Senate for use in the price-control measure. The whole idea of the language in lines 2 to 13 on page 4, which is what I call the O'Mahoney amendment, and which was written by the senior Senator from Wyoming [Mr. O'MAHONEY], is that in the case of agricultural labor there is a congressional direction to the President to take into consideration the question of rising labor costs and other costs—of farm machinery, as has been suggested here today—in his determination of a maximum price for an agricultural commodity. If it appears that because of price regulations issued by the Price Administrator relating to maximum or ceiling prices his maximum is too low to give farmers generally a fair return, after the payment of the increased labor costs, then it is the duty of the President to give due consideration to that, and if he finds that gross inequities would result, to readjust the maximum upward in order to take care of the increased costs.

Mr. O'MAHONEY. Mr. President, will the Senator yield at that point?

Mr. BROWN. I yield.

Mr. O'MAHONEY. It occurs to me to call attention to the table which appears in the hearing on page 57. The Senator will recall that I placed that table in the RECORD at the time Mr. Henderson was testifying.

Mr. BROWN. Yes.

Mr. O'MAHONEY. It lists 27 principal agricultural commodities, and shows which are above and which are below parity. Of the 27, 14 commodities on August 15 were below parity, and only 13 were above. The Senator will recall that I questioned Mr. Henderson during his testimony.

Mr. BROWN. Yes; I do.

Mr. O'MAHONEY. And he stated at that time that he knew of no farm price that was dangerously inflationary, and indicated that, so far as he was concerned, he did not think it would be necessary to reduce farm prices. That testimony, of course, was in perfect harmony with the terms of the bill, as introduced by the Senator from Michigan, and as now reported by the committee. It was also in harmony with the statement of the President in his Labor Day message, when he clearly declared that, so far as he was concerned, he would be satisfied either with parity or with the highest price that—

Mr. BROWN. That had recently prevailed.

Mr. O'MAHONEY. Yes; that had recently obtained. I believe that the

question which the Senator from New Mexico is asking has to do with whether or not any of these general classes of commodities could possibly be regarded as reflecting a gross inequity. I think the Senator can very well answer that question upon the basis of the hearings, the discussions which we have had, and the testimony. Such prices do not now reflect gross inequities.

Mr. BROWN. Certainly that would be true as to meat prices. I believe that the only exception was with respect to the price of rice, which, it was felt, might be considerably out of line, because according to the table to which the Senator refers, it is now at 162.9 percent of parity.

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the table to which reference has been made be printed in the RECORD at this point in the debate.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Average prices received by farmers Aug. 15, parity prices Aug. 15, and minimum ceiling under Emergency Price Control Act of 1942*

Commodity	Unit	Aug. 15 farm price <sup>1</sup>	Aug. 15 parity price	Minimum ceiling under Emergency Price Control Act
Wheat.....	Ct. per bu.....	95.4—	134.4	147.8
Corn.....	Ct. per bu.....	83.4—	97.6	107.4
Oats.....	Ct. per bu.....	42.6—	60.6	66.7
Barley.....	Ct. per bu.....	56.7—	94.1	103.5
Rye.....	Ct. per bu.....	49.2—	109.4	120.3
Rice (rough).....	Ct. per bu.....	162.9+	123.6	143.9
Buckwheat.....	Ct. per bu.....	87.5—	111.0	122.1
Grain sorghums.....	Dol. per 100 lb.	1.15—	1.84	2.02
Flaxseed.....	Dol. per bu.....	2.26—	2.57	2.83
Cowpeas.....	Dol. per bu.....	1.87—	2.37	2.61
Beans, dry edible.....	Dol. per cwt.....	4.45—	5.12	5.77
Soybeans.....	Dol. per bu.....	1.58+	1.44	1.58
Peanuts, for nuts.....	Ct. per lb.....	5.99—	7.30	8.03
Cotton.....	Ct. per lb.....	18.03—	18.85	21.47
Cottonseed.....	Dol. per ton.....	44.04+	34.28	50.36
Hogs.....	Dol. per 100 lb.	14.13+	11.05	12.16
Beef cattle.....	Dol. per 100 lb.	11.30+	8.24	9.34
Veal calves.....	Dol. per 100 lb.	12.91+	10.26	11.29
Sheep.....	Dol. per 100 lb.	5.62—	6.89	7.58
Lambs.....	Dol. per 100 lb.	12.07+	8.94	11.12
Butterfat.....	Ct. per lb.....	40.6+	38.0	44.0
Milk, wholesale.....	Dol. per 100 lb.	42.52+	42.38	2.65
Milk, retail.....	Ct. per quart.....	11.8+	10.3	11.4
Chickens, live.....	Ct. per lb.....	19.6+	17.3	21.1
Turkeys, live.....	Ct. per lb.....	19.9—	21.9	28.8
Eggs.....	Ct. per doz.....	32.2+	31.7	34.1
Wool.....	Ct. per lb.....	39.4+	27.8	37.1

<sup>1</sup> + indicates Aug. 15 farm price above parity; — indicates below parity.

<sup>2</sup> Comparable price.

<sup>3</sup> 110 percent of comparable price.

<sup>4</sup> Adjusted for seasonal variation.

<sup>5</sup> Preliminary.

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

Mr. BROWN. My recollection is that the price of rice was the only price which was considered at that time to be far enough out of line to come within the meaning of that definition.

Mr. O'MAHONEY. That was the only price the Senator mentioned to me.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. MAYBANK. The reason for the present price of rice is that formerly

most of the rice which we consumed was imported from the Philippines.

Mr. BROWN. That is correct.

Mr. MAYBANK. Rice culture in our State was abandoned during the period from 1909 to 1914.

Mr. BROWN. That is correct. That reason was given in the committee.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. GEORGE. I conclude, from what the Senator from Michigan has said in answer to my inquiry, and from the general discussion, that the provision on page 2—

The President may thereafter provide for making adjustments with respect to prices, wages and salaries, to the extent that he finds necessary to correct gross inequities—

contemplates increases in prices, wages, and salaries, as well as decreases, and primarily was intended to provide for increases to overcome any inequities which might exist by reason of subnormal or substandard wages, or subnormal prices for agricultural commodities.

Mr. BROWN. I agree with the Senator, except in his use of the word "primarily." I think our intent was to provide for either going up or down. The Senator will doubtless read the subsequent language, which was not in the original joint resolution, and which was put in somewhat against the wishes of the Senator from Michigan, with respect to increases found necessary to aid in the effective prosecution of the war. The majority of the committee felt that it was not desirable to tie decreases to the effective prosecution-of-the-war basis, but that such action should be confined to increases. With some reluctance I agreed to that proposition.

Mr. GEORGE. I may say that I have very great difficulty in following the reasoning of the Senator. A very careful reading of sections 1 to 4 indicates, to my mind, that what is contemplated is a reduction in prices or wages, and not an increase.

Mr. BROWN. The view of the committee was that reductions generally are not to be expected. We anticipate that the use of the "gross inequities" provision will, in a great majority of cases, be in connection with applications for rises in prices and wages; but it is conceivable that there may be a few instances in which reductions might be desirable. We did not want to leave the statute in such a condition that downward readjustments would be positively prohibited in cases in which gross inequities exist.

The only agricultural commodity the price of which, in the judgment of the Senator from Michigan, could be construed to be grossly inequitable at the present time is rice. As the Senator from South Carolina [Mr. MAYBANK] has indicated, market conditions are most extraordinary at the present time. The Japanese-Malayan production is, of course, lost to us; and the great market for rice which exists in the islands off the south coast of the United States, the West Indies, and certain parts of the United States, and the great demand of the United States Army itself for rice, have created an artificially high present



market. However, it is very doubtful that economic conditions will permit interference with that price at the present time.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. BARKLEY. The language in the latter part of section 1, which appears at the top of page 2, contemplates two different situations. The President is authorized to make adjustments with respect to prices, wages, and salaries to the extent that he finds necessary to correct gross inequities. On the basis of gross inequities, he could raise or lower wages, prices, or salaries; but the following part of that section provides that only in cases of increases may he use as a basis his belief or finding that increases are necessary to aid in the effective prosecution of the war.

Mr. BROWN. The Senator is correct.

Mr. BARKLEY. In other words, if he should find it necessary to stimulate the production of any agricultural commodity, or if he should find it advisable in some case to increase wages in order to increase the morale of working men in a vital industry necessary to aid in the effective prosecution of the war, he would be justified in allowing an increase, and authorized to do so under this language. However, that applies only to increases.

Mr. BROWN. That is correct.

Mr. BARKLEY. It carries with it the implication that outside the correction of gross inequities he would also have the right to make increases both as to agricultural or other prices, and as to wages or salaries, if he should find it necessary in the effective prosecution of the war. So that clause must be taken in its two separate senses. One is on the basis of gross inequities, and the other is on the basis of necessary aid in the prosecution of the war.

Mr. BROWN. I should like to make one further comment to the Senator from Georgia, which I have made before, but which I think should be restated. The "gross inequities" provision in the joint resolution would in no event authorize a maximum price order at a level below parity. The "gross inequities" provision in section 3 relates only to the January-September level of prices.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BROWN. I yield.

Mr. GEORGE. On that point I am inclined to think that the Senator from Michigan is correct. However, the matter is not clear to my mind, for the following reasons:

The President is bound by section 3, which provides:

No maximum price shall be established or maintained for any agricultural commodity under authority of this joint resolution or otherwise below a price which will reflect to producers of agricultural commodities—

first, the parity price, and second, the highest price received by such producers.

In line 15 this language follows:

and no maximum price shall be established or maintained under authority of this joint resolution or otherwise for any commodity processed or manufactured in whole or sub-

stantial part from any agricultural commodity below a price which will reflect to the producers of such agricultural commodity a price therefore equal to the higher of the prices specified in clauses (1) and (2) of this section.

Then we come to the provision on which the Senator bases his statement. No doubt it was intended to accomplish the purpose stated by the Senator, and it may do so. The language is:

*Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

The maximum price is whichever price the President finds to be the higher; that is, the parity price or the highest price received by the producers. Then the provision is applicable, that the President may, without regard to the limitation contained in clause (2)—the one which fixes the highest price received by such producer for such commodity between certain dates—adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

Let me say to the Senator from Michigan, with very great respect, that I am not at all sure that the President could not find that a parity price resulted in gross inequities, and reduce the price below parity, if the parity price had been found to be the higher of the two prices. I say that in large part because of the language on page 2 of the joint resolution, which, after providing for the stabilization of prices and wages on the basis of levels which existed on September 15, would authorize the President thereafter to provide for making adjustments with respect to prices, wages, and salaries to the extent that he finds necessary to correct gross inequities.

It is not clear to my mind that after the President has fixed or found the higher of the two prices—that is to say, parity or the highest price received between certain dates by producers of the commodity—he may not, without regard to the limitation contained in clause (2), bring about or make a readjustment if he finds it necessary to do so in order to correct gross inequities. It does not seem to me to be altogether clear that he could not fix a price below parity if he said, "I found the highest market price received between January 1 and September 15 to be the parity price of the farm product, and I fixed that as the maximum price; but, nevertheless, I find that it is necessary to adjust that price in order to correct gross inequities"—and without any regard to the limitations contained in clause (2) he might proceed to do so. It seems to me that is a possibility.

Mr. BROWN. Mr. President, I think the first sentence in section 3 on page 2 is a direct limitation upon all authority contained in section 1 of the joint resolution. If the President attempted to do as the Senator from Georgia has pointed out—that is, to operate under the gross inequities provision in section 1—he would be confronted with section 3, which says that—

No maximum price shall be established or maintained for any agricultural commodity

under authority of this joint resolution or otherwise—

Not just under this section, but under the joint resolution—

below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price \* \* \*

As one of the authors and sponsors of the joint resolution, I want to make a positive statement that that is the construction which we placed upon the language, that in no event could the President under the gross inequities provision contained in section 1 or the provision contained in the latter part of section 3 fix a price below parity. Parity we intend to be an absolute limitation upon any price-maximum order which may be issued.

Mr. GEORGE. In order to make the joint resolution clear—because I am trying to find out what it means—let me ask the Senator a further question. Suppose in the case of wheat or beef cattle the President were to find that the highest prices paid to the producers of such commodity between January 1, 1942, and September 15, 1942, as adjusted by the Secretary, and so forth, were above parity. Then it would be the President's duty to fix that as the maximum price; would it not?

Mr. BROWN. That is correct.

Mr. BARKLEY. As the minimum price; not the maximum. It would not be his duty to fix it as the maximum.

Mr. BROWN. He could do so.

Mr. BARKLEY. He could fix it.

Mr. BROWN. Yes; that is what the Senator from Georgia means.

Mr. BARKLEY. But he would not be required to do it.

Mr. BROWN. Yes.

Mr. GEORGE. Then I do not understand the joint resolution at all. It says that the President is to fix prices, and it provides that—

No maximum price shall be established or maintained for any agricultural commodity under authority of this joint resolution—

And so forth.

Mr. BARKLEY. Any price which is lower than a certain amount.

Mr. GEORGE. That is correct; but let us go back to my question. Suppose it is either minimum or maximum. Suppose that in the case of beef cattle or wheat the President found that the highest price received by the producers for either commodity between the dates fixed in the joint resolution was above parity, and therefore he fixed the maximum price at the higher figure, or we might state it the other way around, if desired, and say "a floor." However, I am assuming that that would be the maximum price. Then why could not the President, under the language of the same section 3, reduce the price which he had fixed, and where is there any provision which would require him to stop at the parity level? That is the question I ask.

The language reads:

*Provided*, That the President may, without regard to the limitation contained in clause (2), adjust any such maximum price to the extent that he finds necessary to correct gross inequities.

I may be mistaken, but it seems to me that in the case which I have presumed to state the President may actually reduce the price for beef cattle or wheat below the parity price. I give that purely as an illustration.

Mr. BROWN. I have the case the Senator states thoroughly in mind; and if I may be permitted to do so, I think I can point out to him why I think no such limitation could be fixed.

In the first place, we talk so much about maximum price that we do not realize that the President may go higher. In the second place, section 3 is regarded by the committee—and I think that a fair and careful reading of its provisions will show it so to be—as a definite limitation upon the power of the President under section 1. So much for that.

It is our position that clause (1) on page 3, starting in line 3, is a definite limitation upon the right of the President to fix any maximum price below parity. If it happens—as is the case with respect to several commodities—that the highest market price from January 1, 1942, to September 15, 1942, is higher than parity, the President may—in fact, he must—adopt that top limitation. However, with respect to that top limitation he may give consideration to the question of inequity; but the proviso distinctly, in my judgment—and I know that is the intent of the committee—prohibits him from using the gross-inequities provision to reduce any price maximum below the level provided in clause (1). It may operate only with respect to the limitation contained in clause (2) as to the highest price received by producers. I know that such was the intent of every member of the committee, and I myself am satisfied that a careful reading of the language can lead to no other conclusion.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. BROWN. I yield.

Mr. BARKLEY. It should be pointed out that the revised authority here proposed to be given to the President has no relationship whatever to clause (1) which deals with parity.

Mr. BROWN. Except that it is a limitation.

Mr. BARKLEY. Yes. I mean the provision applies only to clause (2), under which he may deal with the highest price existing as between January 1, 1942, and September 15, 1942; and it should be kept in mind that in interpreting the language which is now in the joint resolution in connection with the committee amendment at the bottom of page 3, we must keep in mind what the committee struck out there, because the two go together. As it originally read, it provided that "the President may provide for a lower price than the highest market price for any commodity between January 1, 1942, and September 15, 1942;" and in order to get away from any emphasis which someone might put upon the expression "lower price", we struck out that phrase, and wrote in the phrase "without regard to the limitation contained in clause (2)"—which provision applies only to the price between January 1 and September 15, but has no

application to clause (1) which deals with parity—"adjust any such maximum price to the extent that he finds necessary to correct gross inequities."

So, under the modified language there contemplated, it seems to me—and I think that is the view the committee has—the President would be under no limitation with respect to bringing about a lower price, but he might adjust the price in clause (2), which deals with the highest price between January 1 and September 15, either up or down in order to correct gross inequities. In that modified language which deals solely with the question of parity, we do not touch clause (1).

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BROWN. Let me say to the Senator from Georgia—and then I shall yield to the Senator from Ohio—that our intent is clear. I think it is clearly expressed in the joint resolution; but if the Senator from Georgia can frame a provision—and I know he is a very busy man with his tax bill—which will more completely state what I have stated on the floor as the intent of the committee, I should be delighted to accept it. However, I think the point is fully covered.

I yield now to the Senator from Ohio.

Mr. TAFT. Mr. President, the interpretation placed by the Senator from Georgia had not occurred to me, but I think there is something to his objection. In other words, we do not say, "He may, with regard to section 2." We say, "He may adjust the maximum price regardless of section 2."

That language may apply to section 1, but it does not say so. I should suggest that it is very easy to meet that point simply by providing that "He may adjust such maximum price to the extent necessary to correct any gross inequities, but in no case lower than provided by clause (1)."

That would make it absolutely clear, and I see no reason why it should not be done.

Mr. BROWN. We could use the phrase "but not below parity" at the end of the provision with respect to gross inequities.

Mr. GEORGE. We could; and I was about to make that suggestion. I was about to suggest that we could clarify it entirely by saying, "Nothing in this joint resolution shall be construed to give the President power to provide for prices lower than those provided in clause (1) of section 3."

I should prefer to have it applied to the whole joint resolution.

Or the purpose could be accomplished by the statement that "nothing in section 3 shall be construed to authorize the reduction of the price below parity as set out in subsection 1 of section 3," which was substantially the same conclusion the Senator from Michigan reached.

Mr. BROWN. I may say to the Senator from Georgia—

Mr. SCHWARTZ. Mr. President—

Mr. BROWN. I will ask the Senator from Wyoming to wait a moment in order that we may settle this matter.

Mr. GEORGE. I say that the suggestion which the Senator from Michigan

made, it seems to me, would cover the point and clarify it.

Mr. BROWN. The suggestion was made to me by the Senator from Arkansas [Mr. SPENCER] and by the Senator from Wisconsin.

Mr. GEORGE. I had in mind suggesting some qualification of that kind, to say, for instance:

Adjust any such maximum price to the extent that he finds necessary to correct gross inequities, but nothing herein contained shall be construed to authorize fixing the price below parity.

Mr. BROWN. I may say to the Senator that I am in agreement that such an amendment should be added, and I will ask the drafting service to draft appropriate language, to be put in the joint resolution at that point.

Mr. GEORGE. If I may say so to the Senator, I think the confusion has come about because of striking out some of the original language in line 22 and by the inclusion of the words "maximum price", because the maximum price clearly contemplated—that is, the price which the President shall fix as the maximum—may be either one or the other, parity or the higher price. By referring to that same maximum price, clause 2 virtually becomes meaningless when it is provided that adjustments may be made if found to be necessary to correct gross inequities in the maximum price. By the addition of that simple amendment, it seems to me that the meaning could be cleared and that the intent and purposes of the bill as explained by the able Senator from Michigan would be clearly expressed.

Mr. BARKLEY. Mr. President, if the Senator will permit a suggestion at that point, I think we could take care of all that by adding after the words "gross inequities," the words "but not below the prices stipulated in clause (1) of this section," which are parity prices.

Mr. GEORGE. That is correct.

Mr. BROWN. I think the general idea is clear, and I will have the drafting service prepare an amendment.

Mr. SCHWARTZ. Mr. President, did I understand the Senator correctly a moment ago to say that it is the thought of the committee that the President would issue a general order based on parity, and thereafter correct it?

Mr. BROWN. No, the general order would be the level of September 15, 1942. That is the direction of section 1 of the joint resolution and, of course, the prices will be based upon the general level of September 15.

Mr. SCHWARTZ. Of course, parity would be of no service at all to one of the major industries in the West, for on the old basis of parity, wool would be down to 27 cents, because the generally accepted parity period was in the case of wool a period of lowest prices; and today the cost of producing wool has increased at least 35 percent.

Mr. BROWN. The first level will be September 15, 1942, price, and the second would be the market price paid the producer between September 15 and January 1 of this year. That is the way it would work. It could not go below parity in any event; but parity, I may say to the Senator from Wyoming, would be of no importance to him.



Mr. SCHWARTZ. If the price of wool were fixed at parity, there would be little wool produced.

Mr. HATCH. Mr. President, it is important to us in the Western States to know, with some certainty, what the stabilization of prices is going to be. If we give the President blanket power—and I say that with all due respect to the President of the United States; I am not critical of him; I know that if this matter were left in his hands it would be perfectly all right; I am not so sure about some man who would administer price control under the law we might pass—but if we give blanket power to reduce prices down to parity—

Mr. BROWN. We certainly do not do that. I will say to the Senator from New Mexico.

Mr. HATCH. Suppose the President shall find that in the case of the price of wool there is a gross inequity because it is above parity?

Mr. BROWN. I have said several times that my own construction of that is that the September 15 level would apply. The September 15 level is, in all likelihood, the bottom below which the President would not go.

Mr. HATCH. I know the Senator has said that. He said it on the floor; I have talked with him privately, and I know that it is exactly what he feels, and I have no hesitancy whatever in saying that if the Senator from Michigan were administering the act I would not raise a single question, but I am puzzled about how much power is given.

Mr. BROWN. Mr. President, I did not have the floor. Somehow, I seem to have taken it for the last hour. I had concluded.

Mr. OVERTON. I had the floor.

Mr. BROWN. Can we dispose of the Senator's amendment?

Mr. OVERTON. I should be glad to have that done.

Mr. BROWN. It is perfectly agreeable to me to let the amendment which the Senator from Louisiana has proposed go into the joint resolution in line 15, on page 5, immediately after section 5 relating to the prohibition against increasing wages or salaries in contravention of the regulations promulgated by the President. It could come in as a new subsection.

Mr. O'MAHONEY. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, after line 15, it is proposed to insert the following:

Nothing in this joint resolution shall be construed to prevent the reduction by any private employer of the salary of any of his employees which is at the rate of \$5,000 or more per annum.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. OVERTON].

Mr. O'MAHONEY. Mr. President, may I ask the Senator from Louisiana to what extent he thinks the amendment would be operative?

Mr. OVERTON. To the extent that salaries of \$5,000 or more could be re-

duced by direction of the employer without the consent of the President to \$5,000.

Mr. O'MAHONEY. Does the Senator feel that this amendment would make it clear that the joint resolution does not attempt to freeze unusual increases in salaries?

Mr. OVERTON. It is the very purpose of the amendment to prevent freezing high salaries.

Mr. O'MAHONEY. The Securities and Exchange Commission, for example, has had occasion to release during the past 6 months various reports which indicated that in some instances large corporations have granted what appear to be inordinate increases of salary to their executive officers. In some cases the executive officers have increased their own compensation. Sometimes the increase has been for the purpose of reducing the tax burden upon the corporation itself, and sometimes it has been, of course, to give a larger share of what appear to be war profits to the management. When I first read the joint resolution I wondered whether it might not be interpreted in such fashion as to prevent any correction of such obvious inequities. I take it that the Senator's amendment will prevent the joint resolution from freezing such inequities.

Mr. OVERTON. That is the purpose of the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Louisiana [Mr. OVERTON].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee on page 1, line 6.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The LEGISLATIVE CLERK. On page 1, line 7, after the word "and" and the comma, it is proposed to insert "except as otherwise provided in this joint resolution."

The amendment was agreed to.

The next amendment was, on page 1, line 9, after the words "existed on", to strike out "August" and insert "September."

The amendment was agreed to.

The next amendment was, on page 1, line 10, after the date "1942" and the period, to strike out "In exercising the authority conferred by this joint resolution, the President may", and to insert "The President may thereafter."

The amendment was agreed to.

The next amendment was, on page 2, line 3, after the word "wages" and the comma, to strike out "salaries, and other factors", and to insert "and salaries."

The amendment was agreed to.

The next amendment was, on page 2, line 4, after the word "inequities", to strike out "or" and to insert a comma and the words "and, in the case of increases, to the extent that he finds necessary."

Mr. VANDENBERG. Mr. President, this amendment raises the question we were canvassing earlier in the afternoon. I submit to my able colleague that as the language stands it authorizes the President to make adjustments with respect

to prices, wages, and salaries to the extent he finds necessary to correct gross inequities without any regard to any consideration of war necessity.

The pending measure is supposed to be geared to the war emergency. So far as this particular power and this particular finding are concerned, it can relate to a social purpose or an economic purpose; it does not have to have any relationship whatever to the war. So far as I am concerned, I see no reason why we should yet find it necessary to authorize the President of the United States to do what he pleases with the social and the economic structure of this country, regardless of the war. So I suggest to my able colleague, who was kind enough to agree with my preliminary analysis of this matter a little earlier in the day, that if we strike out in line 5 the words "in the case of increases" and leave the remainder of the provision as it is, then any action which the President may take must be geared to two purposes: First, to correct inequities; second, to aid in the effective prosecution of the war.

Mr. BROWN. So far as I am concerned, I am willing to accept the amendment. I should like to know what the Senator from Ohio thinks about it.

Mr. TAFT. It is perfectly satisfactory to me.

Mr. BROWN. Does the Senator feel that the amendment should be made in the absence of the Senator from Connecticut?

Mr. TAFT. I think that if the Senator from Connecticut wishes to raise the question again, we can reconsider the action.

Mr. BROWN. With that understanding, I am agreeable to the change. I am not sure that it will be satisfactory to the Senator from Connecticut, and he may wish to discuss it.

Mr. McNARY. Mr. President, it is very considerate to ask various members of the committee how they feel about a proposed amendment, but in my opinion that is not the way to proceed. I favor the amendment, but I think the Chair should ask for a decision from the Members of the Senate.

The PRESIDING OFFICER. The Chair intended to put the question in any event.

Mr. VANDENBERG. Is this the amendment to the committee amendment on page 2, line 5, to strike out the words "in the case of increases"?

The PRESIDING OFFICER. It is.

Mr. OVERTON. I should like to ask the Senator from Michigan his interpretation of the amendment.

Mr. VANDENBERG. I thought I had just made it as plain as I could.

Mr. OVERTON. I should like to call attention to another point I have in mind.

Mr. VANDENBERG. All I am trying to do is to make certain that the President's action in all instances shall be geared both to the correction of gross inequities and to the effective prosecution of the war.

Mr. OVERTON. I agree with the Senator.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. LUCAS. Does not the Senator believe the amendment would be strengthened if we struck out the word "and" on line 5?

Mr. VANDENBERG. No; that is precisely what I do not want. I want the word "and" in the joint resolution, so that both these necessities shall be consulted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the senior Senator from Michigan to the amendment of the committee on page 2, line 4.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The LEGISLATIVE CLERK. On page 2, line 9, before the word "may", it is proposed to insert the word "and."

The amendment was agreed to.

The next amendment of the committee was, on page 2, line 12, after the word "direct" and the semicolon, to strike out "and may suspend any provisions of law relating to the establishment or maintenance of prices, wages, or salaries which are inconsistent with the purposes of this joint resolution" and to insert "The President may suspend the provisions of sections 3 (a) and 3 (c) of the Emergency Price Control Act of 1942 to the extent that such sections are inconsistent with the provisions of this joint resolution, but he may not under the authority of this joint resolution suspend any other law or part thereof."

Mr. McNARY. Mr. President, I appeal to the able Senator from Michigan, who has the joint resolution in charge, and to our distinguished leader to recess for the day at this point. This is a controversial amendment, and I desire to have it go over until tomorrow.

Mr. BARKLEY. I have no objection to the amendment going over.

Mr. BROWN. That is satisfactory to me.

Mr. BARKLEY. It might be that we could consider other noncontroversial amendments.

Mr. McKELLAR. Mr. President, if the Senate is to adjourn at this time, I wish to present and to have printed and lie on the table an amendment which I propose to offer tomorrow to the pending measure.

The PRESIDING OFFICER. Without objection, the amendment will be printed and lie on the table.

Mr. BARKLEY. Whatever the Senator from Michigan wishes to have done is agreeable to me. I thought we might dispose of noncontroversial amendments, such as those on page 3.

Mr. HATCH. I am not quite sure that the amendments on page 3 would be noncontroversial. I should like very much to have them go over.

#### PRODUCTION OF PETROLEUM AND GASOLINE RATIONING

Mr. O'MAHONEY. Mr. President, I desire to have printed in the RECORD a telegram which I addressed to the Secretary of the Interior relating to survey of Rocky Mountain and Texas oil re-

sources, together with the response I received from the Deputy Petroleum Coordinator, Mr. Davies, and a letter which I have received from Dr. Mendenhall, the Director of the Geological Survey. This letter is accompanied by a table relating to the black oil petroleum reserve of the State of Wyoming.

What the petroleum industry will have to do in order to supply gasoline and lubricating oil for our air forces during the war will be a question to which the Subcommittee on Western Minerals of the Committee on Public Lands and Surveys will investigate and find an answer to on October 5.

Last night's raid of the Royal Air Force over Munich calls attention in dramatic manner to the increasing demand for petroleum. These bombers had to make a round trip of 1,200 miles, and they were burning gasoline and oil at a rate which staggers the imagination.

When the first raid was made over Cologne, on May 30, with 1,000 bombers, spokesmen for the R. A. F. announced that it was the beginning of a prolonged aerial offensive upon the German industrial system. Since that time, including last night's expedition, about 46 huge raids have been made on German industrial and maritime centers. The attacking force has ranged from one or two hundred to as many as 1,300 planes.

It may be conservatively estimated that no fewer than twelve to fifteen thousand bombers have been involved in carrying out this vast aerial offensive. When it is remembered that it cost 1,000,000 gallons of aviation gasoline to carry out the single raid on Cologne, a raid which involved not to exceed 6 hours of flying, it becomes clear that tremendous quantities of gasoline and oil are necessary to carry out an offensive program of this magnitude.

The picture becomes more amazing when we realize that American Flying Fortresses and other war planes are fighting on every front in the global war. From Australia and the Solomon Islands to China and to Libya, as well as to Germany itself, our planes are carrying death and destruction to the Axis Powers. We are talking even now of increasing the number of cargo planes. We are planning aerial war on an unprecedented scale.

All this means petroleum. It means the production of petroleum. It means production in the United States, because large areas of the other producing sections of the world have fallen into the hands of our enemies.

It means that the mistakes in the production of rubber and steel must not be repeated with respect to petroleum.

Oil men of the United States have already done an excellent job under the direction of Secretary Ickes and the Petroleum Industry War Council. A better job needs to be done, not only because of the increasing demand, but also because of increasing obstacles to production.

Nation-wide gasoline rationing, for example, would unquestionably tend to decrease supplies because by cutting off markets for small operators it would tend to put them out of business. We need

every oil operator in America actively producing petroleum now. Price controls, based upon the cost of gasoline to the consumer rather than upon stimulated production, also tend to hold down the development of new supplies.

The Senator from New Mexico [Mr. HATCH] and I, as members of a special subcommittee of the Senate Committee on Public Lands and Surveys, have recently held hearings at Casper, Wyo., Artesia, N. Mex., and Midland, Tex., where the oil operators of the country told their story of how production may be stimulated. Representatives of the Office of Petroleum Coordinator and the Office of Price Administration participated in these hearings, as they did in a hearing on July 17 in the committee room here in Washington.

All the agencies which have jurisdiction over the production and distribution of oil will be invited to participate in the sessions planned for the week of October 5.

Representatives of the armed services, both the Army and the Navy, will tell of the demand for petroleum. Representatives of Secretary Ickes and the Office of Petroleum Coordinator, of Leon Henderson and the Office of Price Administration, of Donald Nelson and the War Production Board, and of Joseph Eastman and the Office of Defense Transportation have been invited to participate.

The Senator from New Mexico [Mr. HATCH] and I have also discussed the problem with William R. Boyd, Jr., president of the American Petroleum Institute; with Russell B. Brown, general counsel of the Independent Petroleum Association of America; with Robert E. Allen, Assistant Deputy Petroleum Coordinator; and others. The American Petroleum Institute as well as the Independent Petroleum Association of America and other organizations interested in petroleum are expected to participate. The following outline has been prepared for the hearings:

I. Growing need for petroleum supplies to carry on the war: Testimony by representatives of the War and Navy Departments.

II. Sources of petroleum:

(a) Exploration for new deposits.

(b) Development and preservation of present reserves. Geological Survey and industry estimates of unproven oil lands.

(c) Coal as a source of petroleum through hydrogenation. Bureau of Mines—Cost and availability of processing.

(d) Shale as a source of petroleum through hydrogenation. Bureau of Mines—Cost and availability of processing.

III. Methods of stimulating search and production:

(a) Incentives by way of royalty reduction on public domain.

(b) Incentives by way of price modification.

(c) Incentives by way of protection of labor supply.

(d) Handicaps of operators.

IV. Organization of Government authority:

(a) Jurisdiction of armed services.

(b) Jurisdiction of the Office of Petroleum Coordinator.

(c) Jurisdiction of the Office of Defense Transportation.

(d) Jurisdiction of the War Production Board.

(e) Jurisdiction of the Office of Price Administration.



## V. Comments on field hearings:

- (a) Herman Stabler, Geological Survey.
- (b) William B. Heroy, Office of Petroleum Coordinator.
- (c) W. B. Joyes, Office of Price Administration.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a letter dated September 18, 1942, addressed to me by Russell B. Brown, of the Independent Petroleum Association of America; also a telegram which I addressed to Secretary Ickes, and a letter from Ralph K. Davies, Deputy Petroleum Coordinator, in reply thereto, as well as a letter from the Director of the Geological Survey to me, and a table giving data on black oil fields in Wyoming as of July 1, 1942.

There being no objection, the letters, telegram, and table were ordered to be printed in the RECORD, as follows:

## INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA,

Washington, D. C., September 18, 1942.

Senator JOSEPH C. O'MAHONEY,  
Chairman, Subcommittee of the Senate Committee on Public Lands and Surveys.

MY DEAR SENATOR: May I express to you my appreciation for the constructive program of your subcommittee as evidenced by the hearings which you have conducted to date. Your hearing on July 17, 1942, here at Washington laid a broad foundation for a complete study of the petroleum situation at a time when the necessity seems very great.

In conversation with you today you have indicated a continuation of these hearings on a basis that should develop information very necessary to the Government and to the industry at this time.

During your hearing on July 17, 1942, you developed the existence of multiplicity of agencies who have authority and responsibility over petroleum during the present emergency. This multiplicity of agencies is confusing to many in the petroleum industry.

You have outlined to me the possibility of future hearings of your committee in which you expect to cover the need for petroleum and its products, the known sources of supply of petroleum, the question of necessary incentives to continue exploration and development work, as well as the impediments under which the industry is now operating.

In response to your request the Independent Petroleum Association of America will be glad to furnish witnesses from the petroleum industry to discuss before your committee the present known supplies of petroleum, as well as the possibility of exploring for new reserves. We will also be glad to supply witnesses who will discuss the preservation of the present reserves through secondary recovery and other methods of extending the life of the small or stripper wells. We will also be glad to provide witnesses who will be prepared to discuss the need for incentives in the exploration and development work in the petroleum industry which should include the question of price and supply of materials, as well as the protection of labor engaged in the industry. In this connection I understand you will develop testimony on the war impacts which affect the operations of the petroleum industry.

The broad basis on which your committee is conducting these hearings suggests that this committee may become a forum for the collection of information that may be used as a basis for important decisions that seem necessary to the success of our war effort with particular relation to the petroleum industry.

What has happened in the case of rubber could happen in the case of petroleum. It

might be slower in developing but it would also take longer to cure.

Very truly yours,

RUSSELL B. BROWN.

## TELEGRAM TO SECRETARY ICKES

CHEYENNE, WYO., August 31, 1942.

Hon. HAROLD L. ICKES,

Secretary of the Interior,

Washington, D. C.:

Survey of Rocky Mountain and Texas oil resources just completed by Senate Public Lands Committee with efficient assistance of Herman Stabler, Geological Survey, William B. Heroy, of Office of Price Control, and W. B. Joyes, of Office of Price Administration, indicates substantial possibility of relieving Eastern oil shortage by price adjustment and transportation reorganization. This particularly true of black oil. Wyoming has 27 black-oil fields with estimated reserves of 261,000,000 barrels, but present low price which is 50 cents or under in most fields is not sufficient to move the product. Seven fields are shut in and only 330 wells are producing in all black-oil fields. On the conservation formula of not more than 1 well every 40 acres, 385 additional wells could be drilled increasing daily output by forty-five or fifty thousand barrels.

This oil could be treated in Wyoming refineries and could be used as could light oils also to handle markets west of the Mississippi while Texas and Midcontinent oils with pipe line outlets could be concentrated on New England and other Eastern areas now facing distress. Development of Wyoming black oils has been retarded for years by low price.

Present price level was frozen by Office of Price Administration as of October 1, 1941, and represents a price structure which existed when black oils were not needed. It should not be permitted to continue to throttle development, now, when fuel oil and asphalt are needed for military as well as industrial and civilian purposes.

Operators made convincing showing of hardship at present limits. I strongly recommend that Office of Price Administration grant immediate increase. If action is delayed until formal application is prepared and presented prospects of necessary development will be seriously impaired. I suggest temporary increase should be immediately granted on basis of testimony presented to this committee subject to modification later if necessary. Action rather than deliberation is needed if fuel oil shortage is to be met.

On basis of information from California I believe special consideration should be given to liberalization of acreage and other drilling rules for small operators. Labor shortage is another grave impediment to oil production. Oil field work, particularly well drilling, is skilled and hazardous essential war employment and operators should be protected from labor pirating by other industries. Turn-over is becoming so rapid as to threaten increased accident rate and decreased production. Wells and fields which are shut down because of low price or labor shortage will be difficult to reopen by small operators with resulting renewed hardship for all consumers.

JOS. C. O'MAHONEY.

## RESPONSE OF DEPUTY OIL COORDINATOR

OFFICE OF PETROLEUM

COORDINATOR FOR WAR,

Washington.

Hon. JOSEPH C. O'MAHONEY,

United States Senate.

MY DEAR SENATOR O'MAHONEY: I have delayed replying to your wire of August 31, addressed to Secretary Ickes, until Mr. Heroy returned to Washington.

This Office is in complete concurrence with the principles stated in your message and we believe that the production of crude in the

Rocky Mountain States, especially the black oil in Wyoming, should be stimulated. This will require the establishment of adequate prices and the readjustment of transportation facilities.

We join you in the belief that present price ceilings reflect only the approximate supply-and-demand situation as of June 1941, whereas the war economy costs have greatly increased supplies of heavy fuel oil and reduced quantities of motor gasoline. For that reason the light and heavy crude price schedules of 15 months ago are unrealistic under present-day conditions. The Office will join you in recommending prompt action by the Office of Price Administration in readjusting the price schedules of Wyoming heavy oils, which were at depressed levels 15 months ago, but we doubt that the Office of Price Administration will act without having before it a formal application, accompanied by full supporting data. This is based upon our previous experience in presenting other urgent matters for its consideration.

An increased supply of crude oil in the Rocky Mountain States might be useful in serving markets to the east unless freight rates are prohibitive. But the fuel-oil situation on the Pacific coast is of some concern to us and we feel that any additional productive capacity quickly available in the Rocky Mountain district should be used to meet the rapidly increasing demands on the Pacific coast.

I have inaugurated a study in this Office of the possibilities of increasing Rocky Mountain production with a minimum use of steel and other critical materials and we will also investigate to what extent surplus refining capacity exists there for processing additional quantities of crude.

Please let me know if we can be of further service to you in this regard.

Sincerely yours,

RALPH K. DAVIES,  
Deputy Petroleum Coordinator.

## WYOMING BLACK-OIL RESERVES

UNITED STATES DEPARTMENT

OF THE INTERIOR,

GEOLOGICAL SURVEY,

Washington, September 19, 1942.

Hon. JOSEPH C. O'MAHONEY,

United States Senate.

MY DEAR SENATOR O'MAHONEY: The following information and the accompanying table are submitted in response to your recent request by telephone to Mr. Stabler.

While there is considerable variation in estimates of Wyoming oil reserves, field by field, it may be stated with some assurance that the known black-oil reserves of the State are of the order of magnitude of 260,000,000 barrels and that the estimated reserves of fields entirely shut in are of the order of magnitude of twenty-five or thirty million barrels. The production for the month of July amounted to about 33,000 barrels per day from 305 wells; 111 wells were shut in, and it is believed that if these wells had been on production the average might have been 40,000 barrels per day with all wells being produced at a reasonable rate. If the fields were completely drilled up, additional wells being drilled on 40-acre spacing, it is believed that 825 wells could be put on production and, without excessive rates of production, could supply as much as 90,000 barrels per day of black oil. Unless supplemented by reserves and pools not now known to be productive, such a rate of production would necessarily decline, probably within a year.

The accompanying table gives information for each field as to the gravity of oil, production for the first 6 months of 1942, production in July 1942, productive acres, producing wells, wells shut in, and additional wells required for complete drilling up of productive area on 40-acre spacings.

Cordially yours,

W. C. MENDENHALL, Director.

Data on black-oil fields in Wyoming as of July 1, 1942

Field	Gravity	Production first 6 months 1942	Production July 1942	Productive acres	Producing wells	Wells shut-in	Additional wells <sup>1</sup>
Black Mountain.....	26.....	5,251	2,204	760	3	2	14
Byron.....	25.6.....	794,765	161,035	1,650	17	2	22
Circle Ridge.....	22.....	0	0	210	0	7	0
Dallas.....	22.....	84,653	15,396	160	28	4	0
Derby.....	23.....	7,376	1,386	120	10	4	0
Fourbear.....	13.5.....	0	0	2,465	0	1	61
Frannie.....	28.1.....	590,312	88,709	720	20	3	0
Garland.....	19.6.....	250,756	45,258	2,000	19	4	27
Gooseberry.....	23.....	2,771	2,443	620	0	1	14
Grass Creek.....	25.4.....	493,969	143,471	2,000	15	0	35
Hamilton Dome.....	14 and 26.....	194,035	45,059	1,000	12	22	0
Lander-Hudson.....	22.....	52,022	8,502	350	13	22	0
Lake Creek.....	25.....	0	0	100	0	1	1
Maverick Springs.....	22.....	421,229	60,652	1,345	31	5	0
Notches.....	23.....	0	4,628	360	2	1	6
Oregon Basin, north and south.....	22.2.....	1,877,506	376,510	7,100	64	0	114
Pilot Butte.....	18.6.....	18,119	20,064	2,120	1	0	52
Pitchfork.....	22.....	0	0	400	0	1	9
Poison Spider.....	22.....	31,467	5,262	1,280	40	1	0
Red Springs.....	11.3.....	0	0	300	0	1	7
Salt Creek.....	28.....	137,155	25,019	1,100	9	0	18
Sheep Creek.....	22.8.....	0	0	260	2	0	4
Shoshone.....	22.2.....	12,730	2,907	160	2	0	2
Simpson Ridge.....	23.....	2,748	575	160	5	0	0
South Sunshine.....	19.....	0	0	200	0	1	4
South Casper Creek.....	15.....	89,676	15,177	(?)	(?)	(?)	(?)
South Spring Creek.....	15.4.....	0	0	765	0	1	19
West Warm Springs.....	21.7.....	9,447	2,453	180	12	27	0
Total.....		5,091,987	1,026,710	27,885	305	111	409

<sup>1</sup> Additional wells required for complete drilling of productive area on 40-acre spacing.<sup>2</sup> Fuel.<sup>3</sup> Includes South Casper Creek.<sup>4</sup> Includes East Warm Springs (SI).

## EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

## EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. BUNKER in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations (and withdrawing a nomination), which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

## EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. McKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

By Mr. BAILEY, from the Committee on Commerce:

Commander (Engineering) Gustavus R. O'Connor to be a captain in the Coast Guard, to rank from the 1st day of September 1942;

Cadet Robert J. Wescott to be an ensign in the Coast Guard, to rank from the date of oath of office; and

Several captains to be rear admirals in the Coast Guard for temporary service.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will proceed to state the nominations on the calendar.

## ARMY SPECIALIST CORPS

The legislative clerk proceeded to read sundry nominations in the Army Specialist Corps.

Mr. BARKLEY. I ask that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations are confirmed en bloc.

## POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the postmaster nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

## THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. BARKLEY. I ask unanimous consent that the nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.

## THE ARMY—MAJ. GEN. JACOB LOUCKS DEVERS

Mr. CHANDLER. Mr. President, from the Committee on Military Affairs I report certain nominations in the Army, for appointment and promotion of officers, which the President sent to the Senate today.

Included in these nominations is the nomination of Maj. Gen. Jacob Loucks Devers (Brigadier General, United States Army), Army of the United States, for temporary appointment as lieutenant general in the Army of the United States, under the provisions of section 127 (a), National Defense Act, as amended.

General Devers is one of the ablest and greatest generals the Army of the United States has produced. It will be an inspiring thing for the armored forces of the United States all over the world to know that their commander has been made a lieutenant general. The headquarters of the armored forces are located at Fort Knox, Ky.

I ask unanimous consent for the immediate consideration and confirmation of this nomination, and that the President be notified immediately.

Mr. BARKLEY. Mr. President, I wish to join in the request made by my colleague. I have known General Devers for many years. He is a credit to the Army of the United States. He is one of the outstanding military officers of our country. I hope there will be no objection to my colleague's request for confirmation of this nomination.

The PRESIDING OFFICER. Is there objection to the request made by the junior Senator from Kentucky? The Chair hears none, and, without objection, the nomination is confirmed, and the President will be immediately notified.

Mr. BARKLEY. Mr. President, I ask that the President be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

## AMENDMENT OF LIBRARY OF CONGRESS TRUST FUND BOARD ACT

Mr. BARKLEY. Mr. President, as in legislative session, I ask unanimous consent to report two bills, for which I ask immediate consideration.

First, I report from the Committee on the Library House bill 7114, to amend the Library of Congress Trust Fund Board Act. The measure would amend the act authorizing the acceptance of gifts and bequests on the part of the Library of Congress. I ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 7114) to amend the Library of Congress Trust Fund Board Act.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7114) was considered, ordered to a third reading, read the third time, and passed.

## BOOKS FOR THE ADULT BLIND

Mr. BARKLEY. Also from the Committee on the Library I report favorably House bill 7273, to amend section 1 of the act entitled "An act to provide books for the adult blind." This measure would increase the appropriation from \$350,000 to \$370,000 per year.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 7273) to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931, as amended.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7273) was considered, ordered to a third reading, read the third time, and passed.

## RECESS

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12 o'clock noon tomorrow.



The motion was agreed to; and (at 4 o'clock and 28 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, September 22, 1942, at 12 o'clock noon.

#### NOMINATIONS

Executive nominations received by the Senate September 21, 1942:

##### DIPLOMATIC AND FOREIGN SERVICE

Thomas L. Hughes, of the District of Columbia, now a Foreign Service officer of class 1 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

##### APPOINTMENTS, FOR TEMPORARY SERVICE, IN THE ARMY OF THE UNITED STATES

###### TO BE A LIEUTENANT GENERAL

Maj. Gen. Jacob Loucks Devers (brigadier general, United States Army), Army of the United States, for temporary appointment as lieutenant general in the Army of the United States, under the provisions of section 127a, National Defense Act, as amended.

###### TO BE MAJOR GENERALS

Brig. Gen. John Henry Hildring (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Edward Mallory Almond (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. John Beugnot Wogan (lieutenant colonel, Field Artillery), Army of the United States.

Brig. Gen. Frank William Milburn (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Paul John Mueller (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Leroy Hugh Watson (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Vernon Edwin Prichard (lieutenant colonel, Field Artillery), Army of the United States.

Brig. Gen. Leland Stanford Hobbs (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Ira Clarence Eaker (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Brig. Gen. Henry Spiese Aurand (lieutenant colonel, Ordnance Department), Army of the United States.

Brig. Gen. Kenneth Thompson Blood (colonel, Coast Artillery Corps), Army of the United States.

Brig. Gen. Barney McKinney Giles (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Brig. Gen. Leven Cooper Allen (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Andrew Davis Bruce (lieutenant colonel, Infantry), Army of the United States.

Brig. Gen. Frank Floyd Scowden (colonel, Quartermaster Corps), Army of the United States.

Brig. Gen. Clifford Lee Corbin (colonel, Quartermaster Corps), assistant to the Quartermaster General.

Brig. Gen. Frederick Gilbreath (colonel, Cavalry), Army of the United States.

Brig. Gen. Charles Harrison Corlett (lieutenant colonel, Infantry), Army of the United States.

###### TO BE BRIGADIER GENERALS

Col. Nelson Macy Walker (lieutenant colonel, Infantry), Army of the United States.

Col. Ivan Leon Foster (lieutenant colonel, Field Artillery), Army of the United States.

Col. William Henry Colbern (lieutenant colonel, Field Artillery), Army of the United States.

Col. John Eubank Copeland (lieutenant colonel, Infantry), Army of the United States.

Col. Robert Wilson Hasbrouck (lieutenant colonel, Field Artillery), Army of the United States.

Col. John Max Lentz (lieutenant colonel, Field Artillery), Army of the United States.

Col. Donald John Myers (lieutenant colonel, Infantry), Army of the United States.

Col. William Robert White, Quartermaster Corps.

Col. Lawrence Carmel Jaynes (lieutenant colonel, Infantry), Army of the United States.

Col. Guy Humphrey Drewry (lieutenant colonel, Ordnance Department), Army of the United States.

Col. George Honnen (major, Infantry), Army of the United States.

Col. Russell Edward Randall (major, Air Corps; temporary lieutenant colonel, Air Corps), Army of the United States—Air Corps.

Col. Henry Charles Wolfe (major, Corps of Engineers), Army of the United States.

Col. Hermon French Safford (lieutenant colonel, Ordnance Department), Army of the United States.

Col. Frank Albert Allen, Jr. (lieutenant colonel, Cavalry), Army of the United States.

Col. Remi Paul Hueper (lieutenant colonel, Finance Department), Army of the United States.

Col. Everett Strait Hughes, Ordnance Department.

Col. Eley Parker Denson, Infantry.

Col. Rufus Stanley Ramey (lieutenant colonel, Cavalry), Army of the United States.

Col. John Lloyd McKee (lieutenant colonel, Infantry), Army of the United States.

Col. Frederick Harry Black (lieutenant colonel, Field Artillery), Army of the United States.

Col. Doyle Overlton Hickey (lieutenant colonel, Field Artillery), Army of the United States.

Col. James Francis Clark Hyde (lieutenant colonel, Corps of Engineers), Army of the United States.

Col. Norman Randolph (lieutenant colonel, Infantry), Army of the United States.

Col. Vernon Evans (lieutenant colonel, Infantry), Army of the United States.

Col. Walter Alexander Wood, Jr. (lieutenant colonel, Corps of Engineers), Army of the United States.

Col. Paul Ramsey Hawley (lieutenant colonel, Medical Corps), Army of the United States.

Col. Albert Cowper Smith (lieutenant colonel, Cavalry), Army of the United States.

Col. Edwin William Piburn (lieutenant colonel, Infantry), Army of the United States.

Col. Gordon Russell Young, Corps of Engineers.

Col. William Francis Heavey (lieutenant colonel, Corps of Engineers), Army of the United States.

Col. David Ayres Depue Ogden (major, Corps of Engineers), Army of the United States.

Col. Harry Fouts Hazlett, Infantry.

Col. Robert Wilkins Douglass, Jr. (major Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. George Hatton Weems (lieutenant colonel, Infantry), Army of the United States.

Col. Fred Sidney Borum (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Raymond Edward O'Neill (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Richard Gentry Tindall (lieutenant colonel, Infantry), Army of the United States.

Col. Robert Boyd Williams (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary lieutenant colonel, Army of the United States), Army of the United States—Air Corps.

Col. James Alexander O'Connor, Corps of Engineers.

Col. Robert Morris Webster (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. Frederick Mercer Hopkins, Jr. (major, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Owen Summers (lieutenant colonel, Infantry), Army of the United States.

Col. Howard Knox Ramey (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Harvey Steele Burwell, Air Corps.

Col. Edward Moses Morris (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. George Jacob Forster (lieutenant colonel, Infantry), Army of the United States.

Col. William Warren Welsh (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Orvil Arson Anderson (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. Hans Kramer (lieutenant colonel, Corps of Engineers), Army of the United States.

Col. Robert Victor Ignico (lieutenant colonel, Air Corps; temporary colonel, Air Corps), Army of the United States.

Col. Alden Harry Waitt (lieutenant colonel, Chemical Warfare Service), Army of the United States.

Col. Walter Scott Fulton, Infantry.

Col. Julian Buckner Haddon (major, Air Corps; temporary lieutenant colonel, Air Corps; temporary colonel, Army of the United States—Air Corps), Army of the United States.

Col. Leslie Richard Groves (major, Corps of Engineers), Army of the United States.

Col. Evarts Walton Ople, Infantry, National Guard of the United States.

Col. Francis Willard Rollins, Field Artillery, National Guard of the United States.

Col. Henry Carlton Newton (lieutenant colonel, Infantry, National Guard of the United States), Army of the United States.

Col. Fred Abraham Safay, Infantry, National Guard of the United States.

Col. Miller Grieve White (lieutenant colonel, Infantry, National Guard of the United States), Army of the United States.

Col. Clayton Sinnott Adams, Adjutant General's Department Reserve.

Col. Alfred Robinson Glancy, Army of the United States.

##### IN THE NAVY

Capt. Harry W. Hill to be a rear admiral in the Navy, for temporary service, to rank from the 22d day of April 1942.

The following-named captains to be rear admirals in the Navy, for temporary service, to rank from the date stated opposite their names:

Claud A. Jones, October 9, 1941.

Alexander M. Charlton, October 9, 1941.

Joseph J. Broshek, October 9, 1941.

Sydney M. Kraus, October 9, 1941.

James M. Irish, October 9, 1941.

Harold T. Smith, November 21, 1941.

Thomas B. Richey, November 21, 1941.

Charles L. Brand, November 29, 1941.

Ernest M. Pace, Jr., May 13, 1942.

The following-named medical directors to be medical directors in the Navy with the rank of rear admiral, for temporary service, to rank from the 15th day of September 1942:

William Chambers

Kent C. Melhorn

The following-named pay directors to be pay directors in the Navy with the rank of rear admiral, for temporary service, to rank from the 15th day of September 1942:

John F. Hatch  
Emory D. Stanley  
Fred E. McMillen

The following-named civil engineers to be civil engineers in the Navy with the rank of rear admiral, for temporary service, to rank from the 15th day of September 1942:

Henry G. Taylor  
Gaylord Church

#### IN THE COAST GUARD

Capt. Lloyd T. Chalker to be a rear admiral in the Coast Guard, for temporary service, to rank from the 10th day of March 1942.

Capt. Harvey F. Johnson to be a rear admiral in the Coast Guard, for temporary service, to rank from the 10th day of March 1942.

Capt. James Pine to be a rear admiral in the Coast Guard, for temporary service, while serving as Superintendent of the Coast Guard Academy, to rank from June 30, 1942.

Capt. Frank J. Gorman to be a rear admiral in the Coast Guard, for temporary service, while serving as Chief, Division of Finance, to rank from June 30, 1942.

Capt. Robert Donohue to be a rear admiral in the Coast Guard, for temporary service, while serving as Chief, Division of Personnel.

Capt. Edward H. Smith to be a rear admiral in the Coast Guard, for temporary service, while serving as commander, Greenland Patrol.

#### WITHDRAWAL

Executive nomination withdrawn from the Senate September 21, 1942:

#### POSTMASTER LOUISIANA

Lloyd Armand Theriot to be postmaster at Lockport in the State of Louisiana.

#### CONFIRMATIONS

Executive nominations confirmed by the Senate September 21, 1942:

#### ARMY SPECIALIST CORPS

Abraham Herbert Klubock to be principal Army exchange instructor, Army Exchange Service, Services of Supply, at a salary of \$5,600 per annum.

Newman Smith to be Deputy Director, Fourth Service Command, Field Service, Army Specialist Corps, at a salary of \$5,600 per annum.

William Johnson Fuller to be principal personnel procurement officer, Fifth Service Command, subdistrict office, at a salary of \$5,600 per annum.

Ellerton James Brehaut to be Deputy Director, First Service Command, Field Service, Army Specialist Corps, at a salary of \$5,600 per annum.

#### IN THE ARMY

#### TEMPORARY APPOINTMENT IN THE ARMY OF THE UNITED STATES

Jacob Loucks Devers for temporary appointment as lieutenant general in the Army of the United States.

#### IN THE NAVY

#### APPOINTMENTS FOR TEMPORARY SERVICE

Arthur S. Carpenter to be vice admiral, to rank from September 4, 1942.

Louis E. Denfeld to be rear admiral, while serving as Assistant Chief of Naval Personnel, from May 16, 1942.

Ralph E. Davison to be rear admiral, while serving as Assistant Chief of the Bureau of Aeronautics, from August 1, 1942.

Theodore D. Ruddock, Jr., to be rear admiral, while serving as Assistant Chief of the Bureau of Ordnance, from July 5, 1942.

Luther Sheldon, Jr., to be medical director, with the rank of rear admiral, for temporary

service, while serving as Assistant Chief of the Bureau of Medicine and Surgery, from November 17, 1941.

William J. Carter to be pay director, with rank of rear admiral, for temporary service, while serving as Assistant Chief of the Bureau of Supplies and Accounts, from September 4, 1942.

Lewis B. Combs to be civil engineer, with rank of rear admiral, for temporary service, while serving as Assistant Chief of the Bureau of Yards and Docks, from July 20, 1942.

Leslie E. Bratton to be rear admiral in the Navy, on the retired list, for temporary service, while serving as Assistant Judge Advocate General of the Navy, from September 4, 1942.

#### PROMOTIONS IN THE REGULAR SERVICE

The nominations of Earland E. Hedblom et al., for promotions in the regular service of the Navy.

(NOTE.—A full list of the names of the persons whose nominations for promotion in the regular service of the Navy were confirmed today may be found in the Senate proceedings of the CONGRESSIONAL RECORD for September 14, 1942, under the caption "Nominations," beginning with name of Earland E. Hedblom on p. 7189 and concluding with the name of Arthur B. Simms, Jr.

#### POSTMASTERS ARKANSAS

Benjamin S. Kent, Mountain View.

#### COLORADO

James O. Stevic, Denver.  
Thomas H. Hargreaves, Holyoke.  
James F. North, Rocky Ford.  
Ben B. Beshoar, Trinidad.

## HOUSE OF REPRESENTATIVES

MONDAY, SEPTEMBER 21, 1942

The House met at 12 o'clock noon and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, the strength of all men who put their trust in Thee, perfect our weakness in Thy strength. Thou who dost hold in Thy hands the basic laws of the universe, we pray that this sad world may emerge from the tragic scenes of darkness and threatened death. Help us to yield ourselves to Thee so completely that every fiber of our Nation's soul shall revolt against unprovoked war with its tempest and burning blackness. As lovers of freedom, may our people put on the whole armor of God that we may be able to stand against the wiles of the devil and quench all the fiery darts of the evil one. Again we invoke Thy blessings upon our world-renowned President, our Speaker, the Vice President, and both Houses of the Congress that strength, unity, and wisdom may abound and that they may be directed in the realms of resolution, endeavor, and determination.

Dear Lord, we pause in reverent tribute to the honored Member who answers not to the roll call. Oh, take unto Thyself the soul of him whose devotion to duty and integrity of purpose abide with us. O heavenly Father of compassion, through their halting hours of anguish, breathe upon all the loved ones stricken in their grief that they may take up the weary burdens of life. In the name of our Saviour. Amen.

The Journal of the proceedings of Thursday, September 17, 1942, was read and approved.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H. R. 6362. An act to amend the Act entitled "An Act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929;

H. R. 6401. An act to amend section 7 of the Act entitled "An Act to incorporate the American War Mothers," approved February 24, 1925 (43 Stat. 986; title 38, sec. 97, U. S. C., 1940 edition);

H. R. 7235. An act to amend the District of Columbia Emergency Rent Act;

H. R. 7399. An act to increase the penalty for indecent exposure in the District of Columbia; and

H. J. Res. 271. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1942, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6921. An act to amend the Soil Conservation and Domestic Allotment Act to authorize payments in cases where farmers' crops are acquired, prior to harvest, in connection with the acquisition of their farms for use in the national war effort, and to provide for the division of such payments.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2411. An act for the relief of William R. Laurence;

S. 2503. An act to provide for the payment of retired pay to certain retired judges of the police and municipal courts of the District of Columbia;

S. 2689. An act to amend the act entitled "An act to incorporate Saint Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863 (12 Stat. 798);

S. 2696. An act to permit prosecutions after the lapse of a temporary statute for offenses committed prior to its expiration;

S. 2705. An act for the relief of Capt. Samuel N. Moore, United States Navy;

S. 2717. An act for the relief of Charles H. Koch;

S. 2731. An act to suspend until June 30, 1945, the running of the statute of limitations applicable to violations of the antitrust laws;

S. 2733. An act to amend an act entitled "An act to provide for the better registration of births in the District of Columbia and for other purposes," approved March 1, 1907;

S. 2739. An act to authorize the Secretary of the Navy to grant easements for rights-of-way over, across, in, and upon naval reservations;

S. 2740. An act to provide for furnishing transportation for certain Government and other personnel necessary for the effective prosecution of the war, and for other purposes;

S. 2747. An act to authorize a reduction in the course of instruction at the United States Military Academy; and

S. 2751. An act to amend the act entitled "An act to establish a Women's Army Auxiliary Corps for service with the Army of the